

Entrepreneurial Marketing

Mobile Marketing Potensial as Sales Alternative

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Abstract

The development of information technology and the internet are growing so rapidly in this age of globalization, which also directly affects in the field of marketing. Utilization of direct technology provides many benefits in the form of freedom from attachment to place and provide time effectiveness and expand the scope. From time to time, especially in Indonesia, the development of mobile communications has far exceeded the number of internet subscribers and fixed telephone. As reported by the Association of Indonesian Cellular Phone, until the end of 2009 the number of mobile phone subscribers is estimated at 96.41 million subscribers, while the number of internet customer from the latest data compiled by APJII (Association of Indonesian Internet Service Providers) in the year 2007 the number of internet subscribers reached only 25 million subscribers. This shows the tremendous potential of mobile technology development, especially in the field of marketing. This study tries to provide a new system that utilizes mobile technology as an alternative in the sale, so the more attractive and interesting, and may provide information to customers quickly, without time and space constraints.

Keywords: mobile marketing, mobile commerce, alternative, e-commerce

1. Introduction

The development of information technology is rapidly evolving in the era of globalization is also directly affect the technology in the field of trade. Utilization of information technology provides the advantage of freedom from attachment to place and gives the effectiveness of time. Information technology can be used as an intermediary between sellers and prospective buyers in the trade so that transactions can take place more flexible and thus can cover a wider scope.

As we know that nowadays, the internet is a communications media that are popular in Indonesia and abroad. Many reasons for choosing the background for the Internet as a medium of their communication, these reasons include the ease and comfort in communicating through the Internet, because the Internet is a vast communications network so that all people everywhere in the world can communicate and exchange information quickly.

From year to year, internet users, especially in Indonesia are increasing rapidly, from the latest data compiled by APJII (Association of Indonesian Internet Service Provider) internet users increasingly have increased. From their latest data, during the year 2007, internet users in Indonesia has reached 25 million people, whereas earlier in the year of internet users numbered about 18 million people. These data show that only in one year, the increase of internet users has reached 39%. Actually not too surprising rise of internet users because more

and more cafe-cafe, besides a cell phone has become a lifestyle also has been equipped with GPRS facility to access the internet. From a variety of easy access to the internet, APJII estimates that in 2008 Internet users will increase by 40%. With the community-growing internet familiarly, Indonesia is an opportunity for entrepreneurs to further develop an online sales system.

One common form of trade is the buyers and sellers meet at a certain location, and at the time specified. Sellers offer products and waiting buyers who need the product. Fundamental weakness of the old trading system is the attachment between the place and time, and comparisons as well as difficulty in getting clear product information. Mobile commerce or m-commerce in the hierarchy is in the online sales system or better known as e-commerce. So, the general principle of the m-commerce adopt e-commerce, only specifically using mobile devices as a media delivery.

During this limited product trading model using the e-commerce and the media still not many use the m-Commerce as a potential medium for commerce. The author tries to develop a system model m-commerce are also adopting a business process longer but develop into a form of offering a more attractive and interesting.

1.1 Problem Identification

The problems that have been identified are following issues:

- How to model the system can become a more attractive alternative to selling
- How to model the system that allows buyers to get information and competitive price
- How models system would allow the seller to market their products
- How to model the system that makes buying and selling transactions become more efficient and safer.
- How to model information systems that can capture buyers.

1.2 Purpose

From the formulation of the problem, the purposes of this study are:

- 1) Provide product information for buyers
- 2) Provide process online transactions
- 3) Provide a system that makes sellers in marketing their products
- 4) Improving the efficiency of business people working
- 5) Solicit buyer's information which can then be used for various needs.

2. Literature Review

2.1 E-Commerce

Electronic Commerce (e-commerce) is defined as the process of buying and selling of products, services, and information made electronically by using a computer network. One of the networks used is the internet. Meanwhile Kalakota and Whinston define e-Commerce from several perspectives, namely:

- 1) From the perspective of communication, e-commerce is sending the information, products/services, or payments via telephone networks, or other communication channels,
- 2) from the perspective of business processes, e-commerce is the application of the technology to automate business transactions and work flow,
- 3) from the perspective of service, e-commerce is a tool used to reduce costs in ordering and delivery; and
- 4) from the perspective of online, e-commerce provides the ability to sell and buy products and information through the Internet and other online services network.

Furthermore, Yuan Gao, in Encyclopedia of Information Science and Technology (2005), said e-commerce is the use of computer networks to conduct business communications and commercial transaction. Then on the website e-commerce net, e-commerce is defined as an activity to sell merchandise and/or services via the internet. All the elements involved in the practical business application here, such as customer service, products available, payment methods, guarantee the products sold, the way of promotion and so forth.

All of the definitions described above have in common are basically covering the components of the transaction (buyer, seller, goods, services, and information), subjects and objects involved, and the media used (in this case is the internet).

The development of information technology particularly the internet was a contributing factor the development of e-commerce. The internet is a global network that brings together worldwide computer network, allowing the intertwining of communication and interaction between each other throughout the world. By linking with the internet company's computer network, companies can establish business relationships with business partners or customers more efficiently. Until now, the internet is an ideal infrastructure for running e-commerce, so that the term e-commerce has become synonymous with doing business on the internet.

Exchange of information in e-commerce made in digital format so that the need for sending data in printed form can be eliminated. By using computer systems interconnected via telecommunications networks, business transactions can be done automatically and in a short time. As a result, the information required for business transactions available when required. By doing business electronically, companies can reduce costs for information delivery. Process transactions that take place quickly also result in increased productivity of the company (dasril.wordpress.com, 2009)

By using information technology, e-commerce can be used as a solution to help companies face pressure to develop the company and business. The high pressure of business that arises due to the high level of competition requires companies to provide a response. Use of e-commerce can improve cost efficiency and productivity of the company, thus increasing the firm's ability to compete.

2.2 M-Commerce

M-commerce or m-commerce (Mobile-Commerce, mcommerce) is a system of electronic commerce (e-commerce) using portable equipment mobile such as mobile phones, smart phones, PDAs, notebooks, and others. At the time computer users move from one place to another (while in the car, for example), computer users can make sale and purchase of products on the Internet by using this system for m-commerce. In addition to m-commerce, the other terms frequently used are m-business (Mobile Business). Basically, m-commerce is a combination of electronic commerce (e-commerce) with mobile computing. It could be said that m-commerce is e-commerce within the wireless environment. Like e-commerce in general, the use of m-commerce can be transacted over the internet, personal communications networks, smart cards, and other infrastructure. M-commerce provides opportunities to provide new services for existing customers, and to attract new customers (id.wikipedia.org, 2009).

Each device has different characteristics that may affect the level of usage, and applications m-commerce system that can be used. Characteristics of the device that greatly affect the system m-commerce, among others:

- The size and color of the display.
- Input devices, such as the trackpad and keyboard keypad.
- Memory and CPU.
- Network connections and bandwidth .
- Operating system.
- Smart card reader.

M-commerce was born after an e-commerce is generally done through the internet media. M-commerce births were mainly triggered by high mobile phone penetration rates around the world. Compared to other e-commerce system of m-commerce advantages are as follows:

1. Ubiquity: user can access from anywhere and anytime.
2. Security: generally handset equipped with a smart card reader and smart card of his own. So that can be used as a secret authentication key.
3. Localization: allows the application of location based services.
4. Convenience: the size and weight of the handset makes the user comfortable in transacting.

5. Personalization: mobile phones are personal devices, making it possible to offer services and products that are personal.

However, as has been quoted from Indra Purnama (2005), among several advantages as mentioned above, m-commerce also has some shortcomings:

- The limitation of the device.
- The level of diversity of devices, networks and operating systems is very high, requiring the standardization of inter-vendor platforms. Among others, have been overcome by the J2ME.
- The high rate of lost and stolen mobile phones.
- Increasing the level of vulnerability to security when data is transferred over the air interface.

2.3 xHTML MP

Extensible Hypertext Markup Language Mobile Profile xHTML MP or shortened with a markup language defined in the Wireless Application Protocol (WAP) 2.0, which is a communication protocol for wireless applications made by the WAP forum, which this time have turned into the Open Mobile Alliance (OMA). XHTML itself is actually a combination of Hypertext Markup Language (HTML) that has been commonly used as a programming language to build a site on the internet today and Extensible Markup Language (XML). Addition of the term Mobile Profile XHTML MP means a specialized programming language to build applications that can be read via mobile devices, such as cell phones (mobile phones), PDA or Smartphone. XHTML MP is part of XHTML, therefore the syntax and rules in writing applications using XHTML MP following the syntax and rules as XHTML.

3. Design, Model, & Implementation

In the modern business world today which put the convenience and speed of transactions, m-commerce is an alternative way of trading that can benefit all parties, either party customers, as well as the manufacturers and sellers (retailers). Benefits for the consumer include:

1. Time efficiency, by using m-commerce, shopping is becoming shorter time, because consumers do not need to go to a place to buy an item. Consumers just need to sit in

front of computers connected to the internet, then look for sites that provide goods to be purchased. Different if we shopped in the market, we will take a lot of time to travel from home to the market, not to mention us a lot of wasted time to bargain a good price and also need time to choose what goods to be purchased.

2. Factor prices of goods, usually the prices of goods sold through the m-commerce is more expensive than the price in a store, it is because the distribution channels from producers of goods to the seller shorter compared with conventional stores.
3. With m-commerce, consumers can conduct transactions anywhere and anytime without any restriction of time and place, it is an obstacle that we encounter when we are still transacting in a particular place (the markets or shops), very rarely shop or market- stores open 24 hours a day.
4. Comfort factor, m-commerce transactions are promising in the comfort of the consumers, they need not jostle like in the market, no need to queue in the process of payment and they also do not have to worry about the possibility of a pickpocket or mugger.

As for sellers and producers, the use of m-commerce will bring benefits in the form:

1. Reduce operational costs, especially costs associated with paper, such as: the cost of letters, notes, bills, receipts and others. That is because all-DTA data, customer data, data products or sales data has been stored in the database so it does not need to be printed into the paper.
2. The absence of late payments and these payments can be checked immediately, That's because the process of payment is by credit card, so payment will be timely, because before the payment process declared valid, the transaction is not considered complete sales and orders not yet delivered the goods. With m-commerce, consumers will be more extensive coverage, as in m-commerce transactions are not restricted by geographical location of a particular region, the transaction can be made between regions or between countries, it is very different from conventional transactions where consumers only limited coverage in a certain areas.

We can describe transaction process in m-commerce using this simple diagram like this:

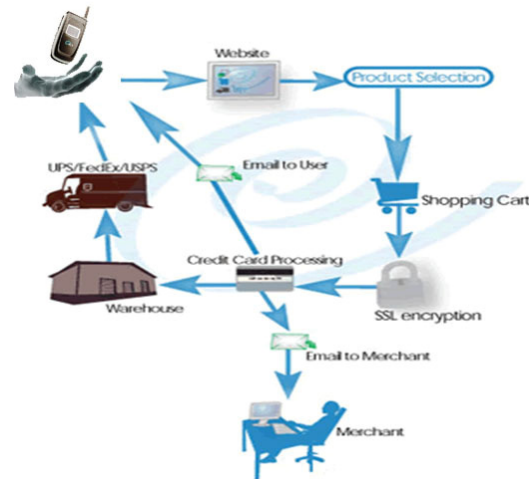


Figure 1. M-commerce Diagram

In that diagram, we can see that the buyer using their cell phone to access website or server and get the product information. After choosing the desired goods and put it into shopping chart the next step is the turn for SSL encryption to make sure the card processing process is safety and don't get leaked information. The merchant receive an email about the list of goods and make sure the cad processing is validate. After that, the merchant sent a purchase order to the warehouse and send the goods using the courier to the buyer.

There are many alternative for payments in M-commerce:

1. Credit card

In a transaction using a credit card, consumers will give their credit card number to merchants. Traders will then check the truth of the owner of the data that credit card issuers to banks, after the data is proven correct then the trader would make a slip of the purchase to be approved by the consumer, the consumer after it is approved by the traders can use purchase slip to take the money in the bank.

2. Electronic check

Basically, the electronic check has the same functionality premises paper check, which acts as a message to the bank to send funds. Advantages when compared with the electronic check is a paper check sender can protect yourself from fraud, fraud that may arise from leakage of their account numbers by people who are not entitled, by utilizing the SET protocol

(for discussion of the SET protocol are discussed in more detail in section others). Website that provides the explanation of how this payment is <http://www.icheck.com>.

3. Digital cash (e-cash)

E-cash is actually a special account for payment via the internet. The account was opened using a credit card belonging to before. Customers only need to fill in your e-cash to use. Value for money no more formed from strands of bits, the bank may debit our accounts with a number of withdrawals, which is equal to the value of money used. Banks can do the validation of each such withdrawal by a digital marker (digital stamp) before transmit it into our computer. The example for this method is using PayPal (<http://www.paypal.com>).

4. Smart card

In Singapore, a smart card is known as cash card. In principle, the use of smartcard usage is similar to ATM cards that we usually used for shopping, which is when we enter into transactions to purchase certain goods, the money directly debited from our account at the bank. For payments on the internet, the user must have a smart card reader. In use, a special instrument is connected to the serial port on the computer. During the transaction, the smart card must swipe to the tool, so a computer can read the chip embedded in the card. For software, used software called e-wallet. Example web site that has provided for payment smartcard is <http://www.discvault.com>.

Although relatively many companies that have installed the homepage, there is only a little that use it as a means of commerce trade online. Most of the homepages it functioned more as a media information and product introductions. According Adji Gunawan, Associate Partner and Group Head of Technology Competency Andersen Consulting, in general there are three stages to the e-commerce, namely: presence, interactivity and transactions. Today, most company-owned home in Indonesia only reached the stage presence, yet at the stage of the transaction. In the end, technological development and improvement of internet users in Indonesia will make m-commerce into a business that promises.

4. Conclusion

Indonesian territory consists of the islands that have a very large population is an opportunity to further develop m-commerce as an alternative way of trading.

With m-commerce, buying and selling transactions will not be familiar with the geographical location of a particular region, so that the community at the eastern tip of Indonesia will be able to transact with residents at the western end of Indonesia. Many factors that face, but with changing times, the authors believe that someday pile of almost all the Indonesian people will be familiar with m-commerce as a model of their trade transactions.

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The Influence of Marketing Program of JIF's Brand to Face National and International Company toward Customer Loyalty

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Abstract

Cibaduyut has been known as center of shoe producers. But, a lot of shoes from national or international company offered to Bandung people. Consequently, shoe industry has high competition but there is a small company offers JIF's Brand. This micro enterprise is owned by a house wife. She has a unique marketing program to win competition and until now, she has loyal customers. Unfortunately, competitors had able to influence JIF's customers. The goal of this research is to know and analysis how is the marketing program, customer loyalty and it's influence on customer loyalty. Research objects are individual costumer of JIF'S. This study uses descriptive-verificative method with descriptive and explanatory survey. Sample is 50 customers. Path analysis is used to analyze data. Marketing mix gives positive influence on customer loyalty. Simultaneously, product, price, place and promotion influence customer loyalty of JIF's. It's too small with 17.8%. Based on analytical to this data, most of factors influence customer loyalty is personal of JIF's owner. In a micro business, owner becomes the most important factor influence customers to buy products. Partially, price becomes the only one factor that influence customer loyalty. Product, place and promotion do not give influence.

Keywords: micro business, marketing mix, customer loyalty

1. Introduction

Indonesian government concerns on shoe industry which had been introduced since 2008 by involving Mr. Jusuf Kalla, former Indonesian Vice President to drive national shoe industry as one of Indonesian main industry. Indonesian is encouraged to use national shoe brand than imported branded ([http://www.sctv.co id](http://www.sctv.co.id)).

One of shoe center that was developed is Cibaduyut in Bandung and to make it real, Mr. Jusuf Kalla allowed his name to be a brand of shoe that are produced by Cibaduyut shoe makers. (<Http://www.kompas.com>).

From the history, Shoe industry has been known in Bandung and other cities in Indonesia. Every visitor will come by to Cibaduyut when they come to Bandung. Unfortunately, competitions among shoe brands in Bandung have been becoming higher and higher. It is also caused by implementation of ASEAN China Free Trade Area in 2010. Shoe makers and other shoe business owners have to face tight competition from foreign business men especially from China that has been known for their cheaper products.

Local government of Bandung has focused to develop Bandung by appointing Cibaduyut as shoe center. The goal of this program is to increase and to introduce that Bandung has

shoe center and Bandung people should come to this area as well as tourist. One of local micro company which runs shoe business is JIF's. It is owned by a house wife and she set up it in 1999 when she was still a student in one of private University, in Bandung. She was inspired by demand of her environment on shoes, especially her friends and lecturers.

She realizes that her company is a micro scales, she uses unique business strategy that is suited to her capability. One of unique strategy is she has no factory and no store to display her products. The only one she has is only her small car that accompanies her to offer her products everywhere. Meanwhile, her house is used for making design, print and delivery it to the customers.

Another uniqueness of JIF's business is the way she produces her products. She cooperates with one of home industry and order to produce shoes based on her request. It does not need big investment to run business like this.

Third uniqueness is the marketing program. Even it is a small company, but the owner uses marketing concept to market her products.

Philip Kotler dan Kevin Keller said that marketing is about identifying and meeting human needs. One of the shortest good definitions of marketing is "meeting needs

profitably” (Kotler and Keller, 2009: 45). Marketing program can be divided into product, price, place and promotion. All of these variables are used by JIF’s to market the product.

Product offered by JIF’s is shoe for man and ladies and it is made of best quality material. Design of shoe is latest mode and consumers can order based on their need and want.

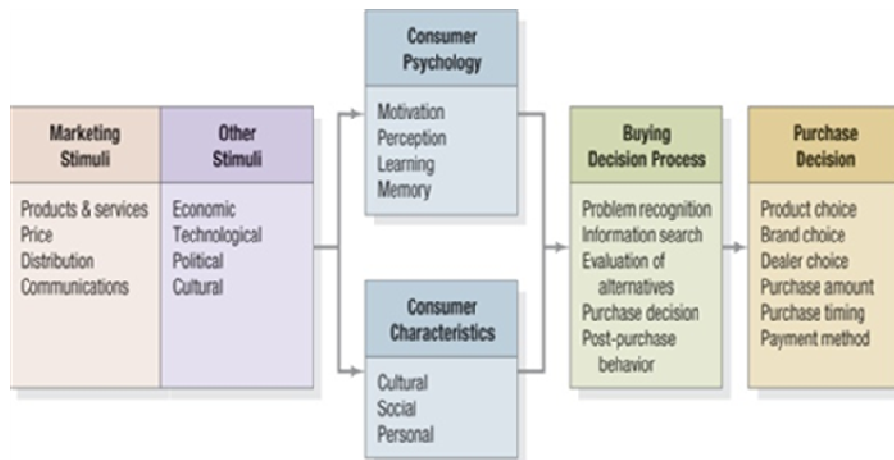
Colors of the shoe can be chosen by customers because JIF’s offers more than 20 kinds of colors. It is different from other company that offers limited alternatives. Sometimes, they just offer what they have produced and cannot fulfilled each customer demand. Other advantages of JIF’s shoe are quality sew of the shoe. Even the shoe was often watered when rainy days, the shoe won’t be broken.

added while owners offer the product to customers.

Promotion is not the main tools for owners to introduce products. No advertisement, no catalog, no publicity and no sales promotion. The only one promotional activity is personal selling that is executed directly by owners from campus to campus and office to office. Another way is by using facebook to communicate the product.

Until now, amount of JIF’s customers are 276 that is recorded on JIF’s book. They are from different jobs, different ages and different educational background. They buy JIF’s product not only one pair but also more than one pairs.

Unfortunately, owner faces a competition from other products that are offered by distributors to the same customers. They offer with lower price but quality is worse than



Source : Kotler, 2009: 246.

Figure 1. Consumer Behavior Model

Price of JIF’s shoe is competitive compared to other brands. Shoe for man is from Rp. 200.000 to 250.000, while for woman is from Rp. 175.000 to Rp.225.000/pair. The differences of this shoe to others are product quality, designs and models. Those variables are better than competitors. Payment of shoe is not directly when consumer orders the products. They can pay a week after receiving the product and it becomes an interested point for the customers to buy JIF’s shoe.

Distribution is one of the most important things that is considered by JIF’s owner. Customers do not have to pick up the shoe but it will be delivered to the customers. Delivery system is very important and become value

JIF’s shoe. Implication of this condition is some existing customers moved to competitors and do not buy JIF’s Shoe. But, it didn’t take for long time because after a month, they moved back to JIF’s again and order the product.

This condition is supposed related to customer loyalty on JIF’s shoe and there for, research question are how is the consumer response on marketing mix program, how is consumer loyalty and how is the influence of marketing mix toward customer loyalty.

The goal of this research are to know and analysis marketing program, customer loyalty and the influence of marketing program toward customer loyalty.

2. Relevant Theories

Marketing Management is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchange that satisfy individuals and organizations goals.” (http://www.marketingpower.com/library/dictionary). Kotler dan Keller said that marketing is an organizational function and a set of process for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Kotler & Keller, 2009: 45).

Marketing Mix is the set of marketing tools that the firm uses to pursue is marketing objectives in the target market (Kotler, 2006 : 425).

Marketing program becomes marketing stimuli at the customer purchase decision.

Post purchase behavior is loyalty and loyalty is defined as non random purchase expressed over time by some decision making unit (Griffin, 2002).

Lovelock said that loyalty is a customer’s commitment to continue patronizing a specific firm over an extended period time (Lovelock, 2007: 629)

Griffin describes four characteristic of loyal customer:

- Makes regular Report Purchase.
- Purchases across product and service lies.
- Refers other
- Demonstrates animmunity to the full of the competition (Griffin, 2002: 31).

Based on the literature review, research paradigm can be seen below:

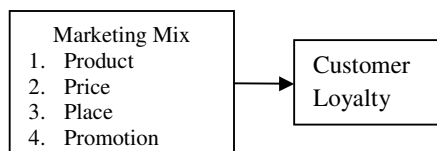


Figure 2. Research Paradigm

Hyphoteses of this research is marketing mix has positive influence on customer loyalty simultaneously. While minor hypothesis are

- Product has positive influence on customer loyalty
- Price has positive influence on customer loyalty
- Place has positive influence on customer loyalty

- Promotion has positive influence on customer loyalty

3. Design, Model, and Implementation

Research object is JIF’s customers who consist of Lecturers, students and employees in Bandung. Management of JIF’s is also research object.

This study uses descriptive-verificative method with descriptive and explanatory survey. Path analysis is used to analyze data. Sampling technique is simple random sampling with amount sample will be based on 276 populations and uses formula to calculate sample:

$$n = \frac{N}{N(d)^2 + 1}$$

N : Amount of population

n : Sample

d : Precision

$$n = 276 / [(276 \times (10\%)^2) + 1] = 49.6$$

Minimum respondent is 50 customers.

Based on questioner distribution and calculated by SPSS 15, validity of each indicator is above 0.3 which means the instruments are valid. While the reliability is above 0.7 and it indicates questioners are reliable.

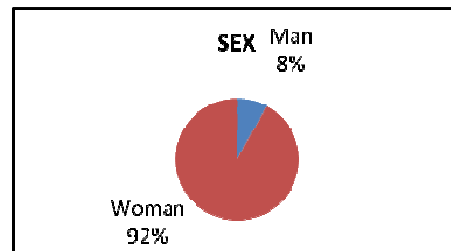
4. Implication/Result

4.1 Profile

Profiles of respondents are based on sex, ages, job, monthly income and outcome.

4.1.1 Sex

It consists of male and female of respondents:



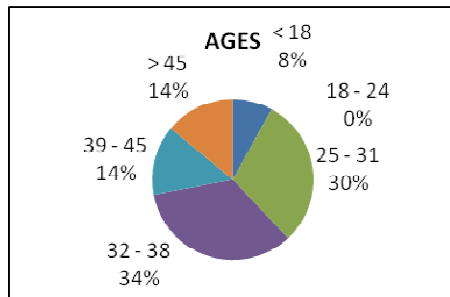
Source: Data collection, March-April 2010.

Graphic 1. Sex

92% of respondents are female and 8% are male. It indicates majority of JIFS customers is female who buys shoes. But, they also buy shoe for their husband, brother or son. While 8% of respondents are man buys shoes for their wives.

4.1.2 Ages

Ages is based on some groups, namely age under 18 years old, 18-24 years old, 25-31 year old, 32-38 years old, 39-45 years old and more than 45 year old.



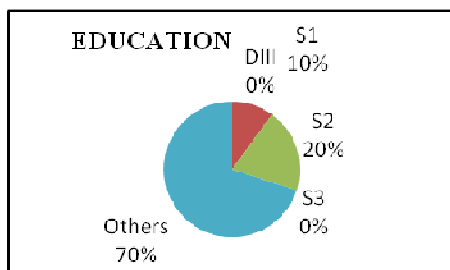
Source: Data collection, March-April 2010.

Graphic 2. Ages

Majority of customers is 32-38 years old and they are 34%. It is followed by customers 25-31 years old, 30%. It indicates that customers are from adult group.

4.1.3 Educational Background

Customer's educational background can be seen from some groups, as graphic below:



Source: Data collection, March-April 2010.

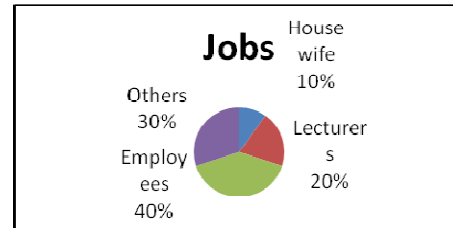
Graphic 3. Educational Background

Most of respondent's educational background is others, with quantity 70%. Based on interview with JIF's owners, they are Senior High School and Diploma. It is not stated in the questioners. The rest is graduated with 20% of respondents. No respondent with

educational background Diploma III and under-graduated.

4.1.4 Jobs

Respondent jobs are housewife, lecturers, employees and others.



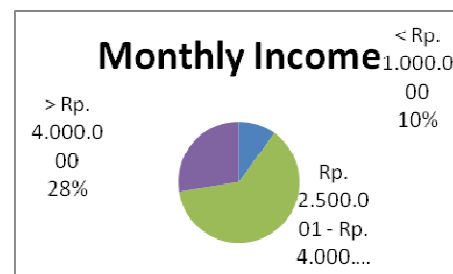
Source: Data collection, March-April 2010.

Graphic 4. Jobs

40% of respondents are employees of banks, government offices and private corporate in Bandung. 20% are lecturers at Widyatama University, Padjadjaran University and Komputer University while 10% are housewives. The rest of respondents are others and based on interview with JIF's owners, they are business women with small or business scale who have been existing customers since JIF's was small.

4.1.5 Monthly Income

Monthly income of Respondents can be seen in the graphic below:



Source: Data collection, March-April 2010.

Graphic 5. Monthly Income

Monthly income of respondents are 62% is from Rp. 2.500.001 to Rp 4.000.000 and it indicates how the income of JIF's customers. 28% is over Rp. 4 million and only 10% is below Rp. 1.000.000.

4.2 Marketing Mix

4.2.1 Product

Product is a bundle of physical, service and symbolic attributes designed to satisfy a customer's want and needs (Boone and Kurtz, 2005: 305).

Product of JIF's will be seen from some indicators related to JIF's. Some of them are model, design, raw material, brand name, packaging and services. All of these indicators are used to describe JIF's product. Customer's response can be seen at table below:

Table 1. Customer's Response on JIF's Product

No.	Indicators	Score	Meaning
1	Suitability of products with customer's need	221	very suit
2	Product's model	216	very interested
3	Suitability of size	207	Suits
4	Product's design	213	very interested
5	Easiness to remember JIF's brand	206	Easy
6	Service	215	very interested
7	Durability of products raw material	213	very durable
8	Durability of product sewing	208	durable
9	Conformance	213	very comfort
10	Packaging	191	Interest

Source: Data collection, March-April 2010.

Respondent said that product and their need is very suit. Suitability is related to their need to the shoe which generally is used for working. While size is only responded suit to them. Product model, product design and service offered by JIF's owner are supposed very interested. Customers can order shoe model as well as design based on their interest. Besides that, JIF's owner also offers latest model and design to the customer. It's the reason why customers are very interested to the model and design. Unfortunately, packaging is only responded as interested and it's the lowest score. Based on our interview to JIF's owner, she does not pay attention to packaging because she thinks that the most important to the customers is product quality, design and model.

Customer is easy to remember JIF's brand. When they hear or see JIF's brand, they directly remember product quality offers JIF's. Durability of JIF's shoe is responded very

lasting for the raw material while durable for shoe sew. Quality is the key point for JIF's to compete with others. All JIF's products are guaranteed by JIF's owners since the beginning.

4.2.2 Price

American Marketing Association: price is the formal ratio that indicates the quantities of money goods or services needed to acquire a given quantity of goods or services (www.marketingpower.com). Customer respond to price is

Table 2. Customer's Rresponse on JIF's Price

No.	Indicators	Score	Meaning
1	Price	179	cheap
2	Achievability of price	200	achievable
3	Suitability of price and quality	210	suits
4	Clearness of price	211	very clear
5	Discount	126	not clear
6	Payment period	216	very interested
7	Payment method	215	very interested

Source: Data collection, March-April 2010.

Respondents said that the price of JIF's is cheap and they can buy it. JIF's price suits to the product quality Compared to quality of raw material and sew. Payment period and payment method is responded to be very interested since customers do not have to pay directly but a week after they order the shoe.

Information about price is very clear to customers because they know how much the costs of each pair. Unfortunately, discount is supposed not clear to them. After doing and interview to JIF's owner, she does not give discount to every customer but to anyone who wants to help her becoming a connector to new market. That's why most of customers do not know about discount.

4.2.3 Place

Marketing channels are set of interdependent organizations involved in the process of making a product or service available for use or consumption (Kotler & Keller, 2009: 787). Customer respond to place is

Table 3. Customer's Response on JIF's Place

No.	Indicators	Score	Meaning
1	Easiness of getting products	183	easy
2	Delivery system	210	interest

Source: Data collection, March-April 2010.

Respondents said that they feel easy to get JIF's product and also interested to the delivery system. JIF's owners deliver the product directly to the customers.

4.2.4 Promotion

Promotion means "to move forward" and in marketing, promotion has a similar meaning, namely to motivate (or move, in a sense) customers to action (Shimp, 1993: 6). The objectives of promotion are

1. Informing prospective customers about the product, services and terms of sale
2. Persuading people to prefer particular products and brands, shop in certain stores, attend particular entertainment events, and perform a variety of other behavior
3. Inducing action from customers such that buying behavior is directed toward the marketer's offering and is undertaken immediately rather than delayed (Shimp, 1993:7)

JIF's management is only uses personal selling and face book for promotion and the response can be seen below:

Table 4. Customer's Response on JIF's Promotion

No.	Indicators	Score	Meaning
1	Personal selling	216	very interested
2	Promotion through facebook	135	less interest

Source: Data collection, March-April 2010

Customer is very interested on personal selling of JIF's owners. Unfortunately, promotion through facebook is responded less interested since it is new and has not been familiar yet to the customers.

4.3 Customer Loyalty

JIF's customer loyalty can be seen through four indicators

Table 5. Customer Loyalty

No.	Indicators	Score	Meaning
1	Repeat purchase	210	agree
2	Buy other products	209	agree
3	Recommendation to others	210	agree
4	Refuse competitor's products	132	less agree

Source: Data collection, March-April 2010.

Respondents agree that they do repeat purchase. It indicates that customers buy JIF's product after they buy the first product. They also buy product besides shoe such as sandals that offered by JIF's.

Recommendation to others is also executed by respondents. Based on interview with JIF's owners, customers often do word of mouth among customers and to others. Most of them recommends to friends and family.

Unfortunately, they less agree on statement that they refuse competitor's product. It means that they will buy other competitor product and it will harm JIF's.

4.4 The Influence of Marketing Mix towards Customer Loyalty

4.4. The Influence of Marketing Mix towards Customer Loyalty Simultaneously

Hyphoteses:

H₀: Marketing mix does not give positive influence on customer loyalty

H₁: Marketing mix gives positive influence on customer loyalty

By using SPSS 15, the result of questioners:

Table 6. ANNOVA

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.964	4	.241	2.437	.061 ^a
Residual	4.448	45	.099		
Total	5.411	49			

a. Predictors: (Constant), x₄, x₃, x₁, x₂
b. Dependent Variable: y

Significance level is smaller than 0.05, so H₀ is rejected and H₁ is accepted. It means marketing mix gives positive influence on customer loyalty.

The influence of marketing mix toward customer loyalty can be seen from determination coefficient (R square).

Table 7. Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.422 ^a	.178	.105	.31439

a. Predictors: (Constant), x4, x3, x1, x2

R-square = 0.178. Customer loyalty is influenced by marketing mix 17.8%.

4.4.2 The Influence of Marketing Mix towards Customer Loyalty Partially

H₀: Product does not give positive influence on customer loyalty

H₁: Product gives positive influence on customer loyalty

H₀: Price does not give positive influence on customer loyalty

H₁: Price gives positive influence on customer loyalty

H₀: Place does not give positive influence on customer loyalty

H₁: Place gives positive influence on customer loyalty

H₀: Promotion does not give positive influence on customer loyalty

H₁: Promotion gives positive influence on customer loyalty.

Table 8. Coefficient

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.676	.822		2.039	.047
	x1	.049	.175	.040	.278	.782
	x2	.374	.185	.325	2.024	.049
	x3	.104	.114	.134	.912	.366
	x4	.020	.074	.039	.266	.791

a. Dependent Variable: y

Significance level of product, place and promotion is bigger than 0.05. It means H₀ is accepted and H₁ is rejected which means product, place and promotion does not give influence to customer loyalty. Only price has

significance level smaller than 0.05. Consequently, H₀ is rejected and H₁ is accepted which means price give influence to customer loyalty

Trimming should be done to calculate price toward customer loyalty and by using SPSS 15, the result is

Table 9. Coefficient

Coefficients						
Mode		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Consta	2.027	.591		3.428	.001
	x2	.459	.152	.399	3.015	.004

a. Dependent Variable: y

Based on trimming process, the result is price influences customer loyalty with value $0.399 = 0.159$.

Statistical calculation indicates that simultaneously, product, price, place and promotion influence customer loyalty of JIF's. It's too small with 17.8%. Based on analytical to this data, most of factors influence customer loyalty is personal of JIF's owner. Since 1999, JIF's owner has been known by customers and they trust to her. Her name becomes a warranty for the quality. In a micro business, owner becomes the most important factor influence customers to buy products.

Owner said that she tried to understand what customer need, want and demand as well as customer's characteristic. Peter Drucker "the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy (Kotler & Keller, 2009: 45).

Partially, price becomes the only one factors that influence customer loyalty. Product, place and promotion do not give influence.

Based on observation, high product quality becomes an obligation for JIF's and so does place. A product is anything that can be offered to a market to satisfy a want or need. Products that are marketed include physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas (Kotler and Keller, 2009: 789). Place also becomes and obligation for the company

to offer. Promotion is not becoming an important variable for marketing program of JIF's. Personal selling and face book are the only way JIF's owner to communicate with customers.

Price is the only one variable the influence customer loyalty. Price is used to communicate with consumer besides product quality. Price also communicates to the market the company's intended value positioning of its product or brand (Kotler & Keller, 2009: 789)

5. Conclusion

1. Customer response product that their need is very suit but size is only suit to them. Product model, product design and service are supposed very interested. Unfortunately, packaging is only responded as interested and it's the lowest score. Customer feels easy to remember JIF's brand. Durability of JIF's shoe is responded very durable for the raw material while durable for shoe sew.
2. Price of JIF's is cheap and customers can buy it. JIF's price suits to the product quality. Payment period and payment method is responded to be very interested. Information about price is very clear to customers. Unfortunately, discount is supposed not clear to them.
3. Respondents feel easy to get JIF's product and also interested to the delivery system.
4. Customer is very interested on personal selling of JIF's owners. Unfortunately, promotion through facebook is responded less interested
5. Respondents agree that they do repeat purchase. They also buy product besides shoe such as sandals that offered by JIF's. Recommendation to others is also executed by respondents. Based on interview with JIF's owners, customers often do word of mouth among customers and to others. Most of them recommends to friends and family. Unfortunately, they less agree on statement that they refuse competitor's product. It means that they

will buy other competitor product and it will harm JIF's.

6. Marketing mix gives positive influence on customer loyalty. Statistical calculation indicates that simultaneously, product, price, place and promotion influence customer loyalty of JIF's. It's too small with 17.8%. Based on analytical to this data, most of factors influence customer loyalty is personal of JIF's owner. Since 1999, JIF's owner has been known by customers and they trust to her. Her name becomes a warranty for the quality. In a micro business, owner becomes the most important factor influence customers to buy products. Partially, price becomes the only one factors that influence customer loyalty. Product, place and promotion do not give influence.

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Brand Performance: Independent vs Company-Owned Brand Community

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Abstract

Strategi pemasaran berbasis brand community memiliki keuntungan tersendiri. perusahaan mendapatkan sarana promosi gratis yaitu melalui word-of-mouth dari anggota komunitas, selain itu perusahaan juga dapat mendapat data konsumen dengan lebih mudah. walaupun dengan berbagai keuntungan yang ditawarkan dengan adanya online brand community ini, anggota dari brand community tidak dapat dianggap sebagai suatu komunitas yang homogen, sebab bagaimana pun juga masing-masing individu dalam komunitas memiliki motivasi yang berbeda untuk bergabung dalam suatu brand community.

Pertanyaan yang muncul dikalangan pemilik brand adalah manakah yang lebih menguntungkan? Mendirikan dan mengelola sendiri komunitas berbasis brand ini atau hanya cukup mendukung dan mensponsori brand community yang telah mengusung brand mereka?

Penelitian dilakukan pada dua tipe komunitas brand. Yang pertama adalah yang komunitas E30 Register BMWCCI, yaitu komunitas pendukung brand yang independen. Kedua, komunitas brand yang dibentuk oleh perusahaan sendiri, yaitu Yaris Groovynations.

Pada kedua komunitas tersebut diuji brand performance dari sisi attitude toward brand, brand involvement, brand loyalty, community participation dan online sense of community.

Hasil penelitian menunjukkan bahwa terdapat perbedaan brand performance yang signifikan diantara dua jenis komunitas ini. Komunitas independen terbukti lebih tinggi brand performance nya. Ini penting diketahui oleh para brand owner yang sedang mempertimbangkan untuk membuat sendiri komunitas brand nya.

Keywords: brand community, brand performance, attitude toward brand, brand involvement, brand loyalty, community participation, online sense of community

1. Introduction

Identitas sebuah komunitas merupakan hal yang sangat penting untuk menunjukkan eksistensinya di masyarakat. Dalam hal ini, identitas komunitas yang dimaksud adalah sebuah komunitas dalam konteks pemasaran yang bukan hanya representasi dari perusahaan atau merek produk tertentu, namun juga komunitas sebagai lambang sebuah loyalitas, fanatisme, sekaligus sarana mempererat hubungan antara sesama anggota.

Brand Community, namanya. Sebuah strategi pemasaran yang memiliki keunikan tersendiri. Brand Community dapat berupa komunitas yang dibentuk oleh pemilik merek maupun dimulai secara independen oleh orang-orang yang memiliki kedekatan emosional terhadap merek tertentu. Sesuai dengan pengertiannya, segala komunitas yang mengarah pada suatu merek tertentu dapat dikatakan sebagai komunitas merek. Baik komunitas tersebut dikelola oleh perusahaan pemilik merek maupun dimulai secara independen oleh orang-orang yang fanatik terhadap suatu merek (Muniz dan O'Guinn, 2001). Meski anggota sebuah Brand Community tidak dapat disebut sebagai sebuah komunitas yang homogen,

karena bergabungnya tiap-tiap individu memiliki motivasi yang berbeda, keanggotaan dalam sebuah Brand Community memberi manfaat yang lebih bagi anggotanya, dan tidak terkecuali keuntungan juga bagi merek yang menaunginya.

Manfaat Brand Community bagi perusahaan antara lain: produk yang mereka luncurkan dapat dipromosikan lebih luas, perusahaan mendapatkan promosi gratis yaitu melalui word-of-mouth dari anggota komunitas, sekaligus mengetahui perilaku pelanggan dan bagaimana mereka berinteraksi dengan produk mereka. Sebaliknya, bagi anggota komunitas tersebut, berbagai fasilitas ditawarkan baik yang didukung oleh perusahaan yang bersangkutan maupun fasilitas mandiri yang dilakukan dari, oleh, dan untuk anggota komunitas tersebut.

Brand Community, sebagai sarana komunikasi antara anggota menjadi lebih mudah dengan semakin berkembangnya teknologi informasi secara online saat ini. Sicilia dan Palazon (2007), mengartikan *online brand community* sebagai sekelompok individual dengan persamaan minat terhadap merek tertentu dan berkomunikasi satu sama lain melalui media elektronik yang difasilitasi oleh

perusahaan pemilik merek. Adanya *brand community online* memfasilitasi anggota komunitas untuk dapat selalu terhubung dan meningkatkan kedekatan emosional baik antar sesama anggota komunitas maupun dengan perusahaan pemilik merk. Meski sebuah penelitian yang dilakukan oleh Kozinets (1999) menunjukkan bahwa hubungan antara anggota komunitas menjadi lebih penting daripada hubungan anggota komunitas dengan perusahaan pemilik brand.

Dari pentingnya sebuah eksistensi *brand community* di masyarakat sebagai sebuah strategi pemasaran, baik komunitas tersebut adalah komunitas independen maupun komunitas yang dibentuk oleh pemilik brand, muncul pertanyaan di kalangan pemilik brand, manakah yang lebih menguntungkan? Mendirikan dan mengelola sendiri komunitas berbasis brand ini atau hanya cukup mendukung dan mensponsori brand community yang telah mengusung brand mereka?

Tujuan dari penelitian ini adalah untuk membandingkan antara dua jenis brand community, yaitu independent brand community dan company brand community dengan melakukan analisis brand performance dari sisi attitude toward brand, brand involvement, brand loyalty, community participation dan online sense of community yang diharapkan dapat menjadi acuan bagi para pemimpin perusahaan yang akan menerapkan strategi pemasaran berbasis komunitas dan menjadi masukan bagi perusahaan yang telah menerapkannya.

Penelitian akan dilakukan pada dua komunitas maya yang mewakili dua brand yang ada di Indonesia. Yaitu Yaris Groovynations sebagai representasi brand community yang didirikan dan dikelola oleh perusahaan sebagai wadah bagi pengguna kendaraan Toyota Yaris, dan E30 Register BMWCCI sebagai representasi brand community independen untuk pencita kendaraan BMW. Kedua brand community tersebut terpilih sebagai fokus penelitian karena dianggap sebagai brand community mapan yang ditandai dengan dilakukannya ritual komunitas secara rutin.

2. Literature Review

Penelitian yang mengangkat mengenai keberadaan *brand community* telah diungkap dalam beberapa penelitian seperti *Brand Community* (Muniz dan O'Guinn, 2001), *Building Brand Community* (McAlexander,

2002), dan beberapa penelitian lain Quester dan Lim (2003), Cova dan Pace (2006).

Berikut akan dijelaskan definisi dari setiap construct yang dipakai dalam studi ini, yaitu attitude toward the brand, brand involvement, brand loyalty, serta online sense of community. Lalu menjelaskan berbagai pemikiran tentang hubungannya dengan online komunitas yang lebih menguntungkan bagi perusahaan.

2.1 Attitude toward Brand

Apa yang membuat konsumen bergabung ke dalam sebuah brand community? Pertanyaan ini telah banyak ditanyakan oleh peneliti pemasaran dengan sangat bervariasi. Namun heterogenitas motivasi dari konsumen-konsumen yang tergabung dalam sebuah brand community kiranya akan membuat jawaban pertanyaan diatas akan menjadi sangat variatif.

Ouwersloot dan Schroder (2006) mengusulkan empat kemungkinan motivasi konsumen untuk bergabung dalam komunitas, yang diambil dari berbagai literatur perilaku konsumen.

- Mendapatkan ketenteraman hati akan kualitas. Selain itu, *brand community* menyediakan suatu hubungan ke perusahaan sehingga konsumen dapat merasa lebih tenang. Dalam prakteknya, komunitas dapat berfungsi sebagai sarana untuk bertukar pengalaman mengenai pemeliharaan, perbaikan, penyesuaian, atau bahkan penggunaan dasar suatu produk.
- Menyatakan keterlibatan mereka dengan produk dari merek tersebut. Kategori produk dengan keterlibatan yang tinggi adalah dimana biasanya konsumen ingin merasa terhubung (Zaichkowsky, 1985) dan bahkan melebihi hanya pada saat konsumsi saja. Dalam hal ini, komunitas berfungsi menguatkan atau memperpanjang pengalaman mengkonsumsi.
- Konsumen mungkin memerlukan konsumsi bersama dan oleh karena itu mereka bergabung dengan *brand community*. Produk yang dikonsumsi bersama biasanya lebih cocok untuk membangun suatu komunitas (Schau dan Muniz, 2002), yang berfungsi sebagai semacam tempat pertemuan di mana anggota dapat mengkonsumsi produk secara bersama.
- Keinginan mengikuti gaya hidup dari fungsi simbolik merek tersebut. Contohnya untuk merek dengan makna simbol yang penting,

seperti Harley-Davidson, maka komunitas dapat memperkuat makna tersebut dan menawarkan tempat pertemuan di mana anggota dapat menyatakan kesetiaan mereka kepada simbol tersebut.

2.2 Brand Involvement

Involvement didefinisikan sebagai salah satu dari persepsi sudut pandang pribadi relevansinya terhadap obyek (Krugman, 1967; Mitchell, 1979). Konsumen akan lebih termotivasi untuk lebih mengenal keunikan sebuah produk jika mereka merasa telah terlibat pada sebuah merek tertentu. Motivasi inilah yang menjadi modal utama bagi konsumen untuk ikut berpartisipasi dalam sebuah brand community.

Menjadikan konsumen untuk merasa terlibat pada sebuah brand, perusahaan sangat perlu untuk memandang segi cognitive dan affective dari konsumen. Apabila keterlibatan *cognitive* mengarah kepada pencarian informasi suatu fitur produk, maka keterlibatan *affective* lebih berfokus pada kualitas simbolik dan kesan dari suatu produk (Mittal, 1987). Pemahaman akan kedua hal ini akan memberikan pengaruh positif terhadap sebuah merek demi meningkatkan pangsa pasar, pangsa konsumen, dan profitabilitas.

2.3 Brand Loyalty

Definisi *brand loyalty* sebagai komitmen kuat konsumen untuk kembali membeli produk atau penawaran kembali berlangganan layanan secara konsisten di masa yang akan datang, sehingga menyebabkan pembelian berulang merek yang sama atau seperangkat produk, tanpa dipengaruhi situasi (Oliver, 1999). Meski demikian, pembelian berulang hanya bersifat penerimaan senentara dari konsumen. Pembelian berulang diperluas oleh pendapat Jacoby dan Kyner (1973) mengenai konsep *loyalitas merek behavioral* sebagai perilaku konsumen yang membeli produk secara berulang dan *loyalitas attitudinal* yang mewakili komitmen konsumen untuk membeli produk yang sama dengan mempertimbangkan nilai-nilai unik yang terdapat pada sebuah produk. Tyebjee (1977) menunjukkan bahwa konsumen dengan keterlibatan yang rendah dicirikan oleh rendahnya loyalitas merek dan selalu mencari alternatif. Dia berpendapat bahwa semakin tinggi keterlibatan dengan suatu merek, maka semakin besar komitmen, dan bahkan loyalitas terhadap merek. Hal tersebut sejalan dengan

pentingnya brand involvement, sehingga perusahaan memiliki kewajiban untuk melibatkan konsumen dalam brand yang dimilikinya untuk menguatkan loyalitas konsumen.

2.4 Community Participation

Community participation adalah elemen penting untuk menjaga keberlangsungan suatu community (Koh dan Kim, 2004). Partisipasi disini dapat mengembangkan rasa kebersamaan sebagai sarana untuk saling bertukar pendapat, informasi, dan memberikan dukungan emosional antara anggota komunitas. Hal – hal inilah yang menjadi salah satu tujuan para pendiri sebuah brand community, karena dari kegiatan inilah pengenalan anggota terhadap komunitas akan terdorong dan akibatnya nilai dari mengikuti komunitas dapat ditingkatkan (Algesheimer et.al., 2005). Menurut Ridings (2002) bahwa tingkat respon anggota komunitas adalah kunci untuk meningkatkan partisipasi anggota komunitas lainnya.

2.5 Online Sense of Community

Beberapa penelitian terbaru yang telah mengangkat mengenai *online sense of community* diantaranya: Brand Community (Muniz dan O'guinn, 2001); Sense of community: an exploratory study of US consumers of financial services (Fraering dan Minor, 2005); Exploring Sense of Community in the Online Environment: Using Netnography (Maulana dan Krisnawati, 2009).

Dalam penelitian Muniz dan O'guinn (2001) dikatakan bahwa *sense of community* mempunyai 3 komponen dasar yaitu:

1. *Consciousness of kind*
Para anggota komunitas merasakan hubungan yang erat berkaitan dengan suatu merek, tetapi yang lebih penting adalah mereka merasakan hubungan yang lebih erat satu sama lain.
2. *Ritual and traditions*
Hal ini mewakili proses sosial utama dimana arti sebuah komunitas direproduksi dan disebarkan di dalam maupun di luar komunitas.
3. *Moral responsibility*
Merupakan apa yang kemudian dapat menghasilkan tindakan kolektif dan berkontribusi terhadap meleburnya suatu kelompok

3. Metodologi Riset

Tujuan terbentuknya *brand community* yang dimulai secara independen oleh konsumen dapat beragam. Mulai dari sebagai sarana pertukaran informasi sesama pengguna merek yang sama, sampai sebagai sarana untuk menyerang perusahaan pemilik merek. Meski kedua jenis komunitas ini memiliki tujuan dan latar belakang yang berbeda dalam pendiriannya, namun pada prinsipnya suatu komunitas dapat bertahan jika terdapat komitmen dari anggotanya dan mendapatkan dukungan dari perusahaan pemilik brand (bagi *company brand community*), pada akhirnya, keberlangsungan suatu *brand community* akan memberikan manfaat kepada kedua belah pihak baik konsumen dan *company*.

Tahapan penelitian yang dilakukan untuk membandingkan antara kedua *brand community* tersebut adalah:

- Melakukan studi literatur mengenai penelitian-penelitian yang mengangkat mengenai *online brand community*.
- Menentukan desain penelitian yang digunakan dalam penelitian ini. Sehubungan dengan topik permasalahan yang dibahas, maka penelitian ini dilakukan secara deskriptif kuantitatif non kausal, sehingga didapatkan perbedaan antara kedua jenis *brand community*.
- Menentukan instrumen penelitian. Instrumen yang dipakai diambil dari beberapa variabel yang pernah dipakai dalam penelitian-penelitian sebelumnya untuk mendapatkan karakteristik dari *brand community*. Instrumen tersebut kemudian disusun dalam kedalam sebuah table untuk mempermudah indentifikasi variabel-variabel yang ada.
- Menentukan *brand community* yang akan diteliti dan melakukan survey. Komunitas tidak terbatas pada jenis produk tetapi syarat dasar yang harus dipenuhi bahwa komunitas tersebut aktif dan “hidup”. Hasil dari kuesioner kemudian dianalisis dan dipadukan dengan konsep yang ada guna mendapatkan hasil analisis yang tepat dan akurat.

3.1 Independent Brand Community

BMW Seri 3 yang lebih dikenal dengan kode E30, sejak peluncurannya di tahun 1986 ini hingga sekarang masih dekat di hati para penggemarnya. Dengan brand Eropa yang sudah

terjamin kualitasnya, mesin yang mumpuni pada jamannya serta desain menarik menjadikan mobil tipe ini sangat diidolakan para remaja.

Seiring dengan berjalannya waktu. Mobil jenis ini tidak kehilangan pecintanya. Maka sebuah komunitas yang berada di bawah payung besar BMWCCI (BMW Car Club of Indonesia) asuhan Gerry Nasution tetap “eksis” dengan Seri -3 generasi lawas. Para pencinta mobil ini menamakan dirinya dengan komunitas E30 Register. Awalnya, komunitas ini dibentuk tahun 2006 di kota Bandung, dengan kebersamaan yang solid hingga akhirnya melebarkan sayap ke Jakarta. Karena vakumnya kegiatan dan tatap muka langsung, atas inisiatif dari penggemar BMW E30, pada akhir tahun 2008 dibentuk sebuah forum *online* untuk menghidupkan kembali komunitas ini.

Komunitas ini dikategorikan sebagai komunitas merek Independen atau Independent Brand Community (IBC).

3.2 Company Brand Community

Semenjak awal peluncurannya di Indonesia pada medio tahun 2006 Toyota Yaris memang diposisikan sebagai mobil dengan karakter muda serta mampu mendukung gaya hidup kaum urban di perkotaan. Bersamaan dengan peluncuran Toyota Yaris maka dibentuklah komunitas TYCI (Toyota Yaris Club Indonesia) dengan mengikuti desain klub resmi bukan hanya sebagai komunitas biasa. TYCI mengarah kepada klub yang berdasarkan AD/ART dan bernaung dibawah Toyota Astra Motor dan IMI.

Seiring berjalannya waktu dan munculnya fenomena *social networking*, komunitas ini memindahkan situs mereka dari www.yarisgroovy.com ke situs *social network Facebook*. Komunitas Yaris Groovynations digunakan perusahaan sebagai sarana untuk memberikan informasi kepada anggota komunitas mengenai kegiatan atau promosi yang sedang berlangsung. Selain bertukar informasi sesama anggota komunitas, Toyota Astra Motor sering mengadakan kegiatan bagi para anggotanya dan pengguna Yaris yang belum menjadi anggota komunitas ini.

Komunitas ini dikategorikan sebagai komunitas merek buatan perusahaan atau Company Brand Community (CBC).

3.3 Variabel Penting dalam Penelitian

Berdasarkan uraian sebelumnya bahwa penelitian ini akan membandingkan karakteristik dari dua jenis komunitas, maka

variabel-variabel yang akan digunakan dalam penelitian ini dapat digambarkan menjadi bentuk matriks sebagai berikut:

	Anggota komunitas pengguna merek (B1)	Anggota komunitas bukan pengguna merek (B2)
<i>Brand Community Independen (A1)</i>	1. Attitude toward brand 2. Brand involvement 3. Brand loyalty 4. Participation 5. Sense of community	1. Attitude toward brand 2. Brand involvement 3. Brand loyalty 4. participation 5. Sense of community
<i>Brand Community Perusahaan (A2)</i>	1. Attitude toward brand 2. Brand involvement 3. Brand loyalty 4. Participation 5. Sense of community	1. Attitude toward brand 2. Brand involvement 3. Brand loyalty 4. Participation 5. Sense of community

Figure 1. Matriks Analisa

Dalam matriks tersebut dilakukan perbandingan terhadap *brand community* independen (A1) dan *brand community* perusahaan (A2), selain itu juga terdapat kondisi dimana anggota komunitas terdiri pengguna merek (B1) dan bukan pengguna merek (B2). Sehingga pada akhir penelitian dapat diidentifikasi empat kuadran, dimana masing-masing kuadran akan diujikan variabel *brand performance* yang telah didapatkan.

4. Hasil Studi

Gambaran profil dari anggota komunitas yang menjadi responden dalam studi sebagai berikut:

Table 1. Respondent Profile

Usia	IBC	CBC
18-25 tahun	13 22%	33 68%
26-35 tahun	30 51%	14 26%
36-45 tahun	10 17%	3 6%
Total	59 100%	54 100%

Komunitas Yaris Groovynation didominasi oleh anggota komunitas yang lebih muda dan ini sesuai dengan target audience Yaris sendiri sebagai mobil anak muda. Sedangkan, pada komunitas BMW, sesuai dengan targetnya, terdiri dari orang-orang yang lebih mapan, dan usia dominan di 26-35 tahun. Karena kedua komunitas ini adalah komunitas mobil, maka wajar anggota komunitas didominasi kaum pria.

Pengujian dalam hal validitas dan reliabilitas untuk semua construct yang digunakan dalam studi ini menunjukkan hasil yang baik. Nilai korelasi item di atas 0.3, berdasarkan analisis korelasi faktor tersebut

dapat disimpulkan bahwa instrument tersebut memiliki *construct validity* yang baik (Allen dan Yen, 1979). Dan demikian pula dengan nilai Cronbach's Alpha, semuanya di atas 0.6 baik untuk komunitas Independent maupun untuk komunitas Perusahaan.

Table 2. Reliabilitas Construct

Cronbach's Alpha	IBC	CBC
Attitude toward the Ad	0.887	0.89
Involvement	0.9	0.96
Brand Loyalty	0.95	0.91
Community Participations	0.79	0.93
Online SoC	0.92	0.97

Dalam pengujian dilakukan prosedur analisa one-way Anova, karena dalam pencarian responden, tidak ditemukan dalam kedua jenis komunitas, anggota komunitas yang bukan pengguna brand.

Prosedur *one-way Anova* merupakan prosedur yang digunakan untuk menghasilkan analisis variansi satu arah untuk variabel dependen dengan tipe data kuantitatif dengan sebuah variabel independen sebagai variabel faktor. Lebih spesifik dapat dikatakan bahwa teknik *Anova* ini akan menguji variabilitas dari observasi masing-masing kelompok, dalam hal ini jenis komunitas, dan variabilitas antar kelompok yang berbeda. Sehingga melalui kedua estimasi variabilitas tersebut dapat ditarik kesimpulan mengenai rata-rata populasi.

Hipotesis 1

H0: Tidak ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *attitude toward brand* anggota komunitas.

H1: Ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *attitude toward brand* anggota komunitas.

Dari perhitungan Anova diketahui bahwa nilai F hasil perhitungan SPSS untuk variabel *attitude toward brand* adalah 23,867 dengan *significant* bernilai 0. Melihat pada distribusi F table pada tingkat *significant* 0,05 adalah 3,920. Kesimpulan yang dapat ditarik adalah F hitung (23,867) > F table (3,920), maka Ho ditolak dan H1 diterima. Hal ini berarti bahwa rata-rata populasi kedua varian, komunitas merek independen dan komunitas merek perusahaan, berbeda secara signifikan dari sisi *attitude*

toward brand. Sedangkan apabila kita melihat sub-variabel dari *attitude toward brand*, yaitu:

1. *Consumer – Company*, F hitung (0,433) < F table (3,920), maka kedua varian adalah sama untuk sub-variabel *consumer-company*.
2. *Consumer – Product*, F hitung (19,981) > F table (3,920), maka kedua varian berbeda untuk sub-variabel *consumer-product*.
3. *Consumer – Consumer*, F hitung (36,713) > F table (3,920), maka kedua varian berbeda untuk sub-variabel *consumer-consumer*.
4. *Consumer – Brand*, F hitung (12,044) > F table (3,920), maka kedua varian berbeda untuk sub-variabel *consumer-brand*.

Hipotesis 2

- H0: Tidak ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *brand involvement* anggota komunitas.
- H1: Ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *brand involvement* anggota komunitas.

Dari perhitungan Anova diketahui bahwa nilai F hasil perhitungan SPSS untuk variabel *brand involvement* adalah 10,293 dengan *significant* bernilai 0,002. Melihat pada distribusi F table pada tingkat *significant* 0,05 adalah 3,920. Kesimpulan yang dapat ditarik adalah F hitung (10,293) > F table (3,920), maka H0 ditolak dan H1 diterima. Hal ini berarti bahwa rata-rata populasi kedua varian, komunitas merek independen dan komunitas merek perusahaan, berbeda secara signifikan dari sisi *brand involvement*.

Hipotesis 3

- H0: Tidak ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *brand loyalty* anggota komunitas.
- H1: Ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *brand loyalty* anggota komunitas.

Dari perhitungan Anova diketahui bahwa nilai F hasil perhitungan SPSS untuk variabel *brand loyalty* adalah 20,744 dengan *significant* bernilai 0. Melihat pada distribusi F table pada tingkat *significant* 0,05 adalah 3,920. Kesimpulan yang dapat ditarik adalah F hitung (20,744) > F table (3,920), maka H0 ditolak dan

H1 diterima. Hal ini berarti bahwa rata-rata populasi kedua varian, komunitas merek independen dan komunitas merek perusahaan, berbeda secara signifikan dari sisi *brand loyalty*.

Hipotesis 4

- H0: Tidak ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *community participation* anggota komunitas.
- H1: Ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *community participation* anggota komunitas.

Dari perhitungan Anova diketahui bahwa nilai F hasil perhitungan SPSS untuk variabel *community participation* adalah 16,422 dengan *significant* bernilai 0. Melihat pada distribusi F table pada tingkat *significant* 0,05 adalah 3,920. Kesimpulan yang dapat ditarik adalah F hitung (16,422) > F table (3,920), maka H0 ditolak dan H1 diterima. Hal ini berarti bahwa rata-rata populasi kedua varian, komunitas merek independen dan komunitas merek perusahaan, berbeda secara signifikan dari sisi *community participation*.

Hipotesis 5

- H0: Tidak ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *online sense of community* anggota komunitas.
- H1: Ada perbedaan yang signifikan komunitas merek yang dikelola perusahaan dengan komunitas merek independen ditinjau dari *online sense of community* anggota komunitas.

Dari perhitungan Anova diketahui bahwa nilai F hasil perhitungan SPSS untuk variabel *online sense of community* adalah 22,128 dengan *significant* bernilai 0. Melihat pada distribusi F table pada tingkat *significant* 0,05 adalah 3,920. Kesimpulan yang dapat ditarik adalah F hitung (22,128) > F table (3,920), maka H0 ditolak dan H1 diterima. Hal ini berarti bahwa rata-rata populasi kedua varian, komunitas merek independen dan komunitas merek perusahaan, berbeda secara signifikan dari sisi *online sense of community*.

5. Diskusi

5.1 Attitude toward Brand

Ditemukan bahwa dalam Komunitas IBC BMW, anggota tidak terlalu memperhatikan hubungan antara mereka dengan perusahaan. Ini

mengkonfirmasi dugaan bahwa mereka terlalu mandiri dan ikatan dengan brand tidak kuat.

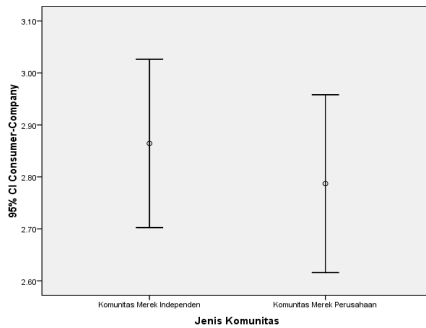


Figure 2. Perbandingan Varian pada Hubungan Consumer-Company

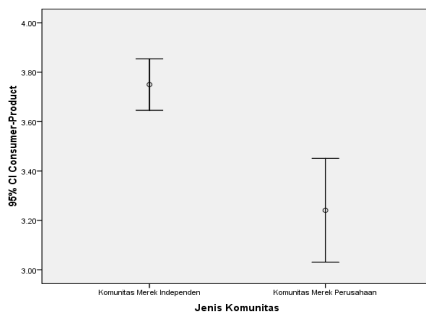


Figure 3. Perbandingan Varian pada Hubungan Consumer-Product

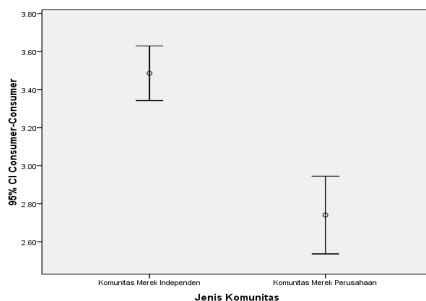


Figure 4. Perbandingan Varian pada Hubungan Consumer-Consumer

Hal berbeda terjadi di komunitas CBC Yaris Groovynations. Kombinasi hubungan konsumen dengan perusahaan, produk, konsumen lain dan merek berada pada tingkat rata-rata. Dugaan awal bahwa kombinasi hubungan antara konsumen dan perusahaan lebih tinggi pada komunitas merek perusahaan dibanding komunitas merek independen, sebab pada dasarnya komunitas ini dibentuk perusahaan untuk mengumpulkan pengguna produk dan

merek mereka ke dalam suatu komunitas demi kepentingan mereka, tetapi hasil penelitian menunjukkan hal yang berbeda.

Faktor yang diduga menyebabkan rendahnya tingkat hubungan ini adalah umur dari merek Toyota Yaris yang belum terlalu familiar, sehingga perlu dilakukan penelitian lebih lanjut untuk menjelaskan hal tersebut. Secara lebih jelas perbedaan varian dari kedua komunitas merek tersebut dapat dilihat pada gambar berikut ini.

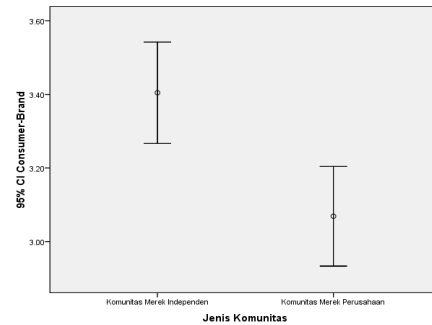


Figure 5. Perbandingan Varian pada Hubungan Consumer-Brand

5.2 Brand Involvement

Perbandingan selanjutnya adalah brand involvement, pada jurnal “The value of participation in virtual consumer communities on brand loyalty”, involvement dikaitkan dengan perilaku berkunjung ke suatu situs (*lurking*) dan diharapkan memiliki hubungan positif dengan *brand loyalty*. Tetapi berbicara khusus mengenai involvement maka kita berbicara mengenai keterlibatan antara konsumen dengan suatu merek. Kami mengasumsikan bahwa tingkat involvement dari konsumen yang menjadi anggota komunitas merek independen lebih tinggi daripada konsumen yang menjadi anggota komunitas merek perusahaan.

Dari hasil penelitian ditunjukkan bahwa rata-rata tingkat involvement dari anggota komunitas merek independen lebih tinggi dibandingkan anggota komunitas merek perusahaan. Hal ini sesuai dengan harapan peneliti. Asumsi ini didukung oleh pengukuran variabel *attitude* dimana *mean* dari komunitas merek independen lebih tinggi dari komunitas merek perusahaan sehingga apabila dikaitkan dengan involvement, maka tingkat involvement pada anggota komunitas merek independen lebih tinggi dari pada anggota komunitas merek

perusahaan. Perbedaan varian dari kedua jenis komunitas merek dapat dilihat pada gambar berikut.

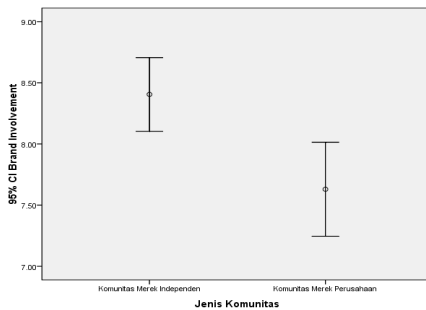


Figure 6. Perbandingan Varian pada Variabel Brand Involvement

5.3 Brand Loyalty

Variabel *brand loyalty* yang diukur dalam penelitian ini dikaitkan dengan komitmen kuat dari konsumen untuk melakukan pembelian berulang untuk suatu merek atau produk yang sama. Penelitian ini ingin mengetahui apakah terdapat perbedaan loyalitas antara anggota komunitas merek independen dan anggota komunitas merek perusahaan.

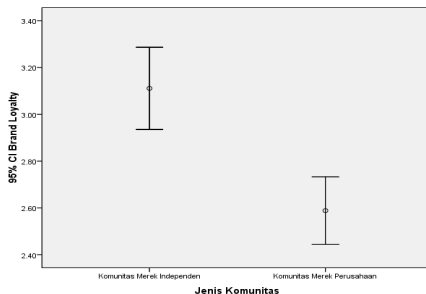


Figure 7. Perbandingan Varian pada Variabel Brand Loyalty

Analisis menunjukkan adanya perbedaan yang signifikan. Peneliti mengasumsikan hal ini terjadi akibat tingginya tingkat fanatisme anggota pada komunitas merek independen. Hal ini berarti anggota komunitas merek independen memiliki komitmen yang lebih kuat untuk membeli kembali merek dan produk tersebut. Perbedaan tersebut dapat dilihat secara jelas pada gambar berikut.

5.4 Community Participation

Seperti yang telah dijabarkan dalam analisis deskriptif bahwa untuk mengukur tingkat

partisipasi menggunakan atribut waktu kunjungan ke situs komunitas merek dan jumlah *posting* yang dilakukan anggota komunitas. Kemudian untuk melakukan analisis variansi atribut tersebut diubah menjadi angka yang bernilai 1 sampai 4. Lebih jelas kita dapat melihat pada table berikut.

Table 3. Perbandingan pada Atribut Kunjungan ke Situs

	Kunjungan ke Situs	IBC	CBC
1	Kurang dari 1 jam	25%	61%
2	1 jam s/d 5 jam	29%	20%
3	5 jam s/d 10 jam	22%	11%
4	Lebih dari 10 jam	24%	8%

Table 4. Perbandingan pada Atribut Jumlah Posting

	Jumlah Posting	IBC	CBC
1	Kurang dari 10 posting	44%	57%
2	10 s/d 30 posting	28%	30%
3	30 s/d 60 posting	14%	9%
4	Lebih dari 60 posting	14%	4%

Berdasarkan table di atas secara sepintas kita dapat melihat perbedaan tingkat partisipasi anggota antara komunitas merek independen dengan anggota komunitas merek perusahaan. Tercatat sebesar 61% responden komunitas merek perusahaan melakukan kunjungan kurang dari 1 jam tiap minggunya, sedangkan pada komunitas merek independen tercatat hanya sebanyak 25% responden yang berkunjung ke situs komunitas kurang dari 1 jam. Pada atribut jumlah *posting* kurang dari 10 *posting* sebanyak 57% responden dari komunitas merek perusahaan melakukan hal ini. Sedangkan sebanyak 44% responden dari komunitas merek independen yang melakukan hal ini. Signifikansi perbedaan ini secara jelas diungkapkan dalam analisis variansi pada subbab sebelumnya

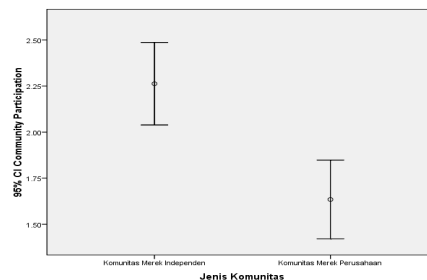


Figure 8. Perbandingan Varian pada Variabel Community Participation

5.5 Online Sense of Community

Konsumen memiliki perasaan tersendiri mengenai hubungan mereka dengan komunitas merek tempat mereka tergabung. Sehingga pada variabel *online sense of community* ini berbeda dengan *attitude toward brand* yang mengidentifikasi hubungan antara konsumen dengan komunitas merek berdasarkan motivasi mereka untuk bergabung. Pada variabel *online sense of community* pendekatan yang dilakukan adalah bagaimana perasaan konsumen terhadap situs atau komunitas merek yang sering mereka kunjungi.

Sehingga pada variabel *online sense of community* dibentuk oleh beberapa sub-variabel yang pada intinya menanyakan perasaan konsumen terhadap komunitas merek tempat mereka tergabung. Pada table berikut disajikan perbandingan antara kedua jenis komunitas.

Table 5. Perbandingan Varian pada Sub-variabel Sense of Community

Sub-variabel	IBC	CBC
Sense of Community	3,1488	2,6008
Satisfaction Level	3,4576	2,8704
Dependency	2,7712	2,1944
Relatability	3,1186	2,6296
Common Symbol System	3,0339	2,4259
Personal Investment	3,0593	2,7315
Shared Value	3,2203	2,7222
Recognition	2,8814	2,5741
Emotional Attachment	3,3305	2,7870
Privacy	3,3051	2,7037
Knowledge on Community	2,8644	2,2593
Support and Coaching	3,3475	2,6019

Pada table di atas kita dapat melihat perbedaan yang signifikan antara kedua jenis komunitas merek. Penulis berasumsi bahwa pada komunitas merek independen rasa memiliki diantara para anggota lebih tinggi, sebab komunitas tersebut didirikan oleh para anggota komunitas sehingga mereka merasa lebih bertanggung jawab atas komunitas merek tersebut. Jika dibandingkan dengan para anggota komunitas merek perusahaan *online sense of community* yang lebih rendah mungkin disebabkan kurangnya rasa memiliki diantara para anggota, hal ini wajar, mengingat bahwa keberangsan komunitas merek tersebut bukan menjadi tanggung jawab anggota.

6. Kesimpulan

Hasil penelitian menunjukkan bahwa *brand performance* dari *brand community* yang dikelola secara independen berbeda secara

signifikan dari *brand community* yang dikelola perusahaan.

Ternyata lebih menguntungkan bagi *brand owner* untuk mendukung dan mensponsori *brand community* independen jika dibandingkan dengan mendirikan dan mengelola sendiri. Secara lebih spesifik perbedaan tersebut dijelaskan sebagai berikut:

- Konsumen memiliki motivasi tersendiri untuk bergabung ke dalam sebuah brand community. Motivasi utama konsumen bergabung pada brand community perusahaan yaitu:

- a. Bertemu dan berkomunikasi dengan sesama pengguna merek.
- b. Keinginan untuk mengikuti gaya hidup dari fungsi simbolik merek tersebut.

Sedangkan untuk brand community independen, selain motivasi di atas, konsumen juga memiliki keterlibatan emosional dengan produk dan merek tersebut.

- Melihat dari sisi *involvement* baik secara *affective* maupun *cognitive*, rata-rata anggota brand community independen memiliki tingkat emosional lebih tinggi dari anggota company brand community. Hal ini menunjukkan bahwa anggota brand community independen lebih nyaman untuk menggambarkan dirinya dengan atribut komunitas yang diikutinya dan lebih sering mencari informasi yang bersumber dari dalam komunitasnya.
- Melihat dari sisi *brand loyalty* dalam pembelian berulang, anggota brand community independen memiliki komitmen tersebut lebih kuat. Perbedaan ini diasumsikan karena pada brand community independen konsumen lebih fanatik terhadap suatu merek.
- Tingkat *participation* dari anggota brand community independen lebih tinggi. Hal ini ditandai dengan lebih besarnya waktu kunjungan ke situs brand community independen dan lebih banyaknya jumlah posting yang dilakukan ke forum brand community independen.
- Keterikatan konsumen dengan brand community yang diwakili oleh variabel *online sense of community* lebih tinggi pada anggota brand community independen. Asumsinya bahwa anggota brand community independen merasa lebih terikat

dengan komunitas tersebut karena didirikan oleh sesama anggota pencinta merek, sehingga mereka merasa lebih memiliki dan bertanggung jawab atas keberlangsungan komunitas tersebut.

Beberapa rekomendasi yang dapat diberikan berdasarkan penelitian ini bagi perusahaan yang ingin menerapkan strategi pemasaran berbasis komunitas adalah sebagai berikut:

1. Pada umumnya konsumen memiliki motivasi yang berbeda-beda untuk bergabung dalam suatu komunitas merek, sehingga hendaknya pengelola komunitas sebaiknya harus mampu untuk mengakomodir berbagai jenis kepentingan konsumen pada saat konsumen sudah bergabung menjadi anggota komunitas.
2. Dalam banyak penelitian telah diungkapkan bahwa sisi hubungan antara sesama anggota komunitas merupakan hal terpenting dalam menjaga kelangsungan sebuah komunitas. Sehingga walaupun komunitas merek yang dikelola perusahaan bermaksud untuk menangkap data konsumen, tetapi sebaiknya tetap mengedepankan hubungan sesama konsumen.
3. Komunitas merek independen sebenarnya bukanlah musuh atau tandingan dari komunitas merek perusahaan. Sehingga sebaiknya perusahaan mampu untuk “menggandeng” komunitas yang dimulai oleh konsumen fanatik. Apabila perusahaan mampu mengelola komunitas semacam ini maka sebenarnya komunitas ini mampu menjadi senjata andalan dalam membangun *brand image*.

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Analysis of the Factors that Influence Consumer Purchase Decisions in the Snack Product (Case study in BANCI as an Alternative Healthy Food)

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Abstract

Snacking is one way to get satisfaction from the crush of life's stresses. In fact, more frequent snacking leads a person to be pursued by guilt that obesity and unhealthy living patterns are occurring. BANCI (Banana Chocochip) produces a Banana Chocolate Chip product which is a product of innovation and creation that could be a good alternative and a healthy snack. In this paper, we identify the determinant factors on which the consumer makes their purchasing decisions based on product attributes like price, quality, packaging, branding, warranties, and service. Based on the results of research, the critical attributes in the purchase decision are brand, quality, and price attributes

Key words: snacking, Banana Chocochip, determinant factors, purchasing decisions

1. Introduction

In any economic conditions, competition in the business world is stricter because almost all businesses started globally oriented. Business phenomenon, which occurs in the face of the free market in the present and the future, is more complex to achieve competitive advantage. A lot of business organizations are doing efforts to achieve competitive advantage by making changes in production processes, equipment, services or activities undertaken relating to the creation of added value. Therefore, companies always keep trying to do the formulation and improvement of businesses in order to win the competition.

Looking at the increasingly volatile economic activities not only in Indonesia but also in the world, making people have desire to become an entrepreneur. Students were not free from this phenomenon, therefore, this phenomenon makes student is required to be creative so that when it has graduated from college, and students are able to self-reliance.

Nowadays, people make a banana as a snack with the process into a wide range of foods such as banana compote, fried bananas, banana chips etc. Everyone else has to know and feel the delights of banana chips, banana chips on the market currently has a sweet and salty taste, which is the sweet taste of banana chips is derived from refined sugar or melted and combined into the banana chips. The sweet taste can be replaced with other food ingredients that more healthy. One of them is by using chocolate.

A combination chocolate and banana chip is a good form of snacks, rich of nutritious and innovative because chocolate banana chips have not been made. And this combination chocolate and banana chip is called BANCI.

This paper, identify the determinant factors on which the consumer makes their purchasing decisions based on product attributes like price, quality, packaging, branding, warranties, and service related to BANCI.

2. Literature Review

To understand consumer behavior, there are many underlying factors that influence a person in making decisions to purchase certain products or brands. Lysonski, et al., (1996) in Silayoi and Speede (2004) mentioned that the consumer decision-making can be defined as a mental orientation characterizing a consumer's approach to making choice. This approach is associated with cognitive and affective orientation in the decision making process.

In a large proportion, consumer-buying behavior is often preceded and influenced by many stimuli from outside, either marketing stimuli as well as from other environmental stimuli. Marketing stimuli consist of the four Ps: product, price, place, and promotion. Other stimuli include the significant forces and events in the buyer's environment: economic, technological, political and cultural (Kotler, et al., 2005).

Products are the main reason for consumers in their purchase, considering the benefits that are included in a product is actually sought after by consumers. In the process of purchasing,

consumers often do a search of information and evaluate various alternative products to avoid possible negative risks (Kotler, et al., 2005). Therefore, marketers need to consider the issues in the product including product attributes will be offered to the market.

Kotler (2000) states that "the product attribute is a component of the product property which ensure that these products meet the needs and desires of the buyer. Attributes inherent in a consumer product are used to assess and measure the suitability of product characteristics with the need and desire of the consumer. For companies that are able to know what attributes could influence the purchasing decision, they can determine the strategy to develop and refine the product to be able to meet consumer expectations.

A product must have the attributes that support it. Some important factors to consider attributes such as price, quality, branding, packaging, size, label, service (Kotler, 2000).

According to the American Marketing Association (Kotler, 2000), a brand is a name, term, sign, symbol, design, or a combination of those things, which are intended to identify the goods or services from a person or group of sellers and to differentiate it from competitors' products. A brand gives a series in which the promise of trust, consistency, and hope. Thus, the brand is very important, for both consumers and producers (Riana, 2008). For consumers, the brand is useful to simplify the purchasing decision process and a guarantee of quality. Conversely, for the manufacturer, the brand can help the efforts to build loyalty and ongoing relationship with consumers.

Other attributes of the product that are an important consideration is the quality of the product. Quality of products offered is one of the important components for the company. The product quality is one tool in creating competitive advantage for companies (Kotler, et al., 2005). The importance of quality image can provide benefits in the form of consumer purchase intentions (Tsiotsou, 2005). Furthermore, Tsiotsou (2005) mentions that some of the research (Carman, 1990; Boulding, Staelin, & Zeithaml, 1993; and Parasuraman, et al., 1996) supports the existence of a positive direct effect on the quality of consumer purchase intentions.

Apart from product quality, product packaging has a role in providing purchasers stimuli. The use of packaging elements

(packaging) becomes an important issue in purchasing decisions for products with low involvement of consumers (Estiri, et al., 2010). Silayoi and Speede (2004) said there are five major elements in packaging that has the potential to influence the buying decisions. The fifth element was grouped into two categories of visual elements and information. Aspects of the visual elements consist of graphics, size, and shape of packaging. Elements of the information and the technology used presented. Research conducted Estiri, et al. (2010) about the element on the packaged food product category has an impact on changing behavior at three stages namely the purchase of pre-purchase, purchase and post-purchase.

On the other hand, the majority of consumers, particularly for low involvement products and consumers who are price sensitive, the price is often a consideration in purchasing decisions. Price is an amount of money charged for a product, or the amount of value in exchange for the benefits consumers because it owns or uses the product (Kotler, et al., 2005).

Problems related to product warranties are promised in the warranty service. Is a product of service activities that require special attention because of product management itself is increasingly sophisticated and complex, consumer dissatisfaction is increasing and all getting difficult to overcome by the service product itself?

In general, companies must be able to understand what the needs and desires of consumers towards the products of which consist of an affordable price, good quality, satisfactory service and taste that can meet consumer tastes. Through an understanding of consumer behavior in choosing a product, marketers can understand the truth of what their needs and desires of consumers, consumer background, reasons for purchasing the product, as well as the condition of how goods and services are purchased.

3. Research Design

The research design is descriptive. This study focuses on consumer purchasing decisions based on consumers' responses to product attributes. Thus, the research instrument is directed at product attributes such as brand, quality, service, packaging, price, and warranty. The data was collected using questionnaires. Each item in question is using the measuring scale of 1-7. Response 1 indicates disagreement

and 7 indicate agreement to the statement. Simply put the size of each attribute in the described in the following Table 1.

Table 1. The Element on the Packaged Food Product Category

No	Criterion	No	Criterion
X01	Distinctive flavor	X10	Easy to remember brand
X02	Product durability	X11	Conformity with the product identity
X03	Consistency of product taste from time to time	X12	Value impression brands offered
X04	Attractive packaging	X13	Easily obtained
X05	Forms of packaging	X14	The speed of service at the store
X06	The information presented	X15	hospitality support from vendors
X07	Packaging impression	X16	Quality assurance
X08	Affordable Prices	X17	Warranty information conveyed suitability
X09	Price equals quality		

Target populations are based on demographic aspects of the respondents, namely the possible teenagers who snack like chocolate. Therefore, the target population of research focused on students at the University of Garut. The sampling technique used probability sampling, with sample size estimation approach with the parameters of sample proportions (Umar, 2003). In the α value of 5% and the value of an error rate of 5%, the sample size to be taken more than 384 respondents.

To find out what factors are considered by consumers in the purchase of brand products transvestite, are used factor analysis. The process of factor analysis to try to find a relationship (interrelationship) among a number of variables are mutually independent with each other, so that can make one or several sets of variables are fewer than the number of initial variables (Supranto, 2004). Furthermore, data processing is done by using SPSS 18 software.

4. Results

Descriptively, the majority of respondents are dominated by women (73%) and 27% were male. In addition, the average respondent has purchased the product for more than once, so that the respondent had to know this product.

Respondent a whole are summarized in the Table 2.

Table 2. Summary of the Percentage of Respondents for Each Instrument

	Alternatif respon						
	1	2	3	4	5	6	7
Quality							
x01. Brand of snack pansy has a unique taste	11%	3%	10%	12%	8%	33%	23%
x02. Having a long endurance	7%	6%	9%	21%	13%	32%	12%
x03. Consistent in taste from time to time	3%	3%	14%	24%	18%	18%	20%
Packaging							
x04. Transvestite product has its own charm packs	14%	11%	14%	25%	12%	16%	8%
x05. Unique form of packaging, a differentiator with competitors' products	9%	14%	16%	27%	16%	12%	6%
x06. Available the information required in packaging products	11%	7%	18%	24%	14%	17%	9%
x07. Packaging that is used to give the impression special products	14%	14%	21%	25%	9%	10%	7%
Price							
x08. In your opinion, price offered affordable	8%	6%	10%	12%	28%	19%	17%
x09. The price offered in accordance with product quality	12%	11%	10%	17%	10%	16%	24%
Merek							
x10. The rebranding is easy to remember	5%	7%	11%	16%	19%	24%	18%
x11. Reflects the brand name products in the offer	5%	9%	12%	12%	16%	31%	15%
x12. Brand products provide value to your	9%	14%	13%	12%	16%	21%	15%
Services							
x13. At the time wanted to buy, easy to obtain the product brand	12%	14%	22%	23%	13%	10%	6%
x14. Speed of service given at the store where buyers	7%	14%	21%	26%	15%	9%	8%
x15. Store employees provide a friendly service	12%	7%	17%	28%	15%	10%	11%
Warranties							
x16. I'm sure with the quality assurance of products offered	12%	21%	25%	13%	16%	11%	2%
x17. Warranty information provided in product packaging	16%	17%	21%	22%	14%	9%	1%

In Table 2, it can be seen that the percentage of positive consumer response are high on quality product attributes, price, and brand. In particular, this third aspect describes the main reasons consumers buy BANCI. Conversely, warranties on product attributes, receive a not good response. Especially, about the guarantee of the information conveyed in the packaging products. It is not a major concern of respondents in the purchase of BANCI. The attribute of packaging and services shows more percentage in the neutral position. However, this attribute is deemed important enough by the consumer.

Based on factor analysis, the result shows that the processing of factor analysis through SPSS software is acceptable. The factor analysis process begins with the correlation matrix of all pairs of variables in this study. Techniques in the analysis of these factors using the method of KMO (Kaiser-Meyer-Olkin) and rounding off Bartlett's Test and Anti-Image.

From the calculations, the value of KMO and Bartlett's Test of Sphericity is 0.552 with a significance of .000. Because these values are above 0.5 and well below 0.05 ($0.000 < 0.05$) at significant level, then the sample is considered adequate for further analysis.

Furthermore, the analysis is done by assessing the correlation of these factors operated to Measures of Sampling Adequacy (MSA). Criteria for MSA are all variables that are operated must have correlation values above 0.5, whereas if there is a correlation value below

0.5 means not eligible for the MSA. At the output, value of MSA was obtained under 0.5 that is on factor value of the packaging gives the impression X07 and X17 special about the security of information provided in product packaging. Therefore, both factors are removed from the processing and return analysis.

The result of factor analysis after reducing the value obtained x02 and x17 KMO and Bartlett's Test of Sphericity is 0.622 with a significance of .000. Furthermore, the MSA values in the table is not found correlation values of each factor which is smaller than 0.5. Thus, data analysis continued in the process of extraction, where the process of extraction of the factors used to determine the types of variables that will be used, ie, variables involving the total variance, more than one that needs to be taken into account.

Results of factor analysis shows that of the 15 factors measured can be summarized into three main factors that determine consumer-buying products BANCI. Here is a summary of the third grouping of these factors after the rotation process.

Table 3. Rotated Component Matrix^a

	Component		
	1	2	3
x01	,761	,563	-,122
x02	,922	,169	,185
x03	,170	,936	,246
x04	,909	,167	,177
x05	,578	,229	,352
x06	,563	,761	-,122
x08	,313	,217	,895
x09	,425	,263	,546
x10	,388	,778	,306
x11	,155	,892	,284
x12	,462	,331	,695
x13	,895	,217	,313
x14	,170	,936	,246
x15	,918	,147	,267
x16	,895	,217	,313

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Based on the results processed at the second table, then it is made a summary of each factor by grouping that is formed into the following table.

Table 4. Summary of Grouping Factor Results

Factor	Question item	S
Factor 1 (Quality)	x01. Brand of snack pansy has a unique taste	,761
	x02. Having a long endurance	,922
	x04. Transvestite product has its own charm packs	,909
	x05. Unique form of packaging, a differentiator with competitors produk	,578
	x13. At the time wanted to buy, easy to obtain the product sissy	,895
	x15. Store employees provide a friendly service	,918
Factor 2 (Brand)	x16. I'm sure with the quality assurance of products offered	,895
	x03. Consistent in taste from time to time	,936
	x06. Available the information required in packaging products	,761
	x10. The rebranding is easy to remember	,778
	x11. Reflects the brand name products in the offer	,892
	x14. Speed of service given at the store where purchase	,936
Factor 3 (Glass house)	x08. In your opinion, which offered affordable price	,895
	x09. The price offered in accordance with product quality	,546
	x12. Brand products provide value to your	,695

5. Conclusion

A consumer's purchasing decision, in this case is the purchase of snack food products will be influenced by stimuli factors of the marketing mix product itself. Factors that a stimulus or influence a consumer's decisions are based on the inherent attributes of products such as product quality, price, brand, service and warranties. Then, from these dimensions are translated into a number of factors that influence a consumer decision in purchasing. As for the determinants of consumer decisions for BANCI is a quality product, brand and price.

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Demographic Aspects: The Missing Source of Business Opportunities (A Case Study in Depok District Demography, West Java)

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Abstract

One-key success in the business is the ability of entrepreneurs to find and explore the existing potential opportunities. For small and medium business, this will become increasingly important due to various limitations. Such business scale needs to be able to compete with large-scale business, regarding several possible advantages of niche and market potentials.

Demographic aspects that reflect various profiles of consumers should be considered by small and medium enterprises (SMEs) to produce and sell their products and services. However, the various opportunities that are reflected in the demographic profile have not been widely used by these businesses. Many opportunities and business strategies are not properly applied in SMEs.

This paper shows how the demographic profiles in Depok, West Java, can be a source of information on business opportunities and as a basis for determining the business strategy to improve the marketing performance of SMEs. The study was conducted by using secondary data from Depok during 2008 publications. Analysis was performed by descriptive and map potential opportunities based on Depok demographic profiles.

The result shows that the demographic profiles, such as distribution of population by region, gender composition, income distribution, composition and distribution of education level, the types of work distribution, and other demographic profiles, can be used as significant information on business opportunities. By using this various information, SMEs can determine what products should be manufactured and marketed, which segments should be targeted, what price should the goods and services provided, and many other marketing strategies. Thus, the utilization of alternative demographic profiles can be an important information to improve the marketing performance of SMEs especially in Depok. Therefore, SMEs can compete with any other business-scale.

Keywords: Demographic Aspects, Business Opportunities, Marketing Strategies, and Business performance

1. Introduction

The achievement of national small and medium businesses has exceeded the operating performance of large scale. Yet there are still many limitations and problems encountered in this scale business that need to be overcome. One of the problems that is fundamental is the ability to access the market.

Using limited resources, small and medium businesses are not able to compete in terms of products and services to market their services. For example, large-scale businesses can easily access the market through various promotional advertisements in the media that have wide broad, such as TV, national newspapers, and the like. With the support of a large marketing budget, use of the stars of the popular ads, making large scale businesses increasingly look more

easily access and control of the market. Meanwhile, in the case of small businesses market their products still rely on marketing strategies which tend to 'ordinary' alone, such as creating brochures, leaflets installation, use and distribution of business cards, and the like, so the results are less than optimal, especially when associated with increased performance expectations business better. Actually the current small and medium enterprises have started to use and exploit the media with wider reach, such as radio and the Internet (online marketing). But not all small and medium-sized businesses are able to do so.

In general we can say that to be competitive with large-scale effort, it requires efforts with an emphasis on creative effort, and jelly in the view of business opportunities, especially in a niche that has

not or is unwilling to enter the large-scale business.

Business opportunities might come from many sources, but not all businesses can view and take advantage of these opportunities. The importance of demographic aspects in the development of business gets increased (Bell, 2002). Demographic aspects, such as population, gender and age composition, population distribution, and other demographic aspects with a variety of information and market opportunities can determine a better marketing strategy (Swanson, 2007). Demographic information may also help predict future business opportunities, "You cannot understand the future without demographics" (Zolli, 2006). With demographic information, small and medium enterprises can also more fully in predicting market trends in the future (Loreto, 2008)

For example, in a national scale, Indonesia has a demographic profile as follows:

The population of Indonesia: 240,271,522 (July 2009 est.)

Age structure of population:

0-14 years: 28.1% (male 34,337,341 / female 33,162,207)

15-64 years: 66% (male 79,549,569 / female 78,918,321)

65 years and over: 6% (male 6,335,208 / female 7,968,876) (2009 est.)

The average age of residents:

total: 27.6 years

male: 27.1 years

female: 28.1 years (2009 est.)

Urban population: 52% of the total population (2008)

Ethnic groups:

Sienk 40.6%, Sundanese 15%, Madurese 3.3%, Minangkabau 2.7%, 2.4% Betawi, Bugis 2.4%, Banten 2%, Banjar 1.7%, other unspecified or 9.29% (2000 census)

Religion:

Muslim 86.1%, Protestant 5.7%, Roman Catholic 3%, Hindu 1.8%, other or

unspecified 3.4% (2000 census)
Income per capita: \$ 4,000 (2009 est.)

From the information aspects of the national demographics, national business should make this as a business opportunity. The total population of nearly 250 million represents an enormous market. 66% of the population aged 15-64 years informing that businesses can concentrate on producing and marketing products and services needed by that age group, and also the needs of the age group below 15 years are also quite large (28.1%). Specific products and services can be focused to the needs of consumers with an age 20 years, because the data showed a median age of 27 sd 28 years. There are many other marketing strategies that can be taken based on demographic information.

However, the demographic data is still overlooked by small and medium-sized businesses. Particularly those related to demographic data areas or regions in their respective places of business. If it is done, it is not an exaggeration to say that so many business opportunities and market niches that can be discovered and utilized, can be arranged so that an appropriate marketing strategy. Error in seeing opportunities and define strategies will have a negative impact in the development of small and medium business.

Therefore, the demographic aspects need to be utilized and managed properly, because Demographic change does not automatically imply Also Negative Consequences but creates room for opportunities (Kohlbacher and Herstatt, 2008).

This paper aims to provide an overview to the small and medium-sized businesses in the city of Depok, on the various business opportunities and niche markets of the information contained in the geographic data of Depok, so that businesses can be more focused in developing business through marketing strategies.

2. Theory

Demography is one important aspect in any discussion related to the profile of a

nation or region. The definitions of demography are as the following:

Demography is the scientific study of population, mainly related to the number / large population, the structure and its development (the United Nations Multilingual Demographic). Demographics are also defined as the science of learning about the large, composition, distribution, and changes in population (Donald J. Bogue, 1885)

Meanwhile, in a popular dictionary Wikipedia, the demographic is defined as the study of population dynamics, including size, structure, and distribution of population, and how the population changed over time due to births, deaths, migration and elderness.

Based on the definitions above, associated with business opportunities and marketing strategies, the business opportunities may arise, loose / reduce, change according to changes in the population profile. So the required business and marketing strategies will also depend on the changes.

Basically, the ideas and efforts can be found, felt, and heard every day in the neighborhood (Ismawan, 2007). From various sources, business opportunities can also arise from different events and phenomena of everyday life, including:

- The ideas and creative efforts of continuous
- When everyone asks about a product, it is not available in the market.
- When there are no competitors or others who want to serve a community need
- When we are only able to provide and meet those needs
- When the market is still very wide while the products available is still small and less (demand greater than the offer)
- When the product has a history of recurrent or life cycle
- When people are starting not to believe in the current product
- Although we do not expect, but when a disaster happens, usually there also exist opportunities

- When competitors make mistakes in their products
- When the community started to increase its purchasing ability

The results of research that discussed the use of demographic information, generate some findings as follows (Regmi, at.all, 21-22), among others:

- Low income countries a greater portion of Spend on their budget on necessities Poor 'food, while Richer countries spend a greater proportion of on their income on luxuries. With this result, small and medium-sized businesses can take some wisdom, which if existing demographic information shows the increase in revenue in the population, then the probability of producing a fairly small and medium business 'luxury' will potentially increase the demand.
- Changes in per capita income of developing countries are often correlated with urbanization, which in turn affects food consumption patterns. The results can also be input, which if the population increased their income demographic information, it will affect the activities of urbanization.
- Changes in the size, composition and distribution of the population have substantial implications for the marketing of products and services, and over the past two decades a thriving industry has emerged, Concerned with the application of tools to business Demographic (Bell, 2002)

3. Result and Discussion

This Discussion will begin with the presentation of the demographic profile of Depok and followed with the implication. Business strategies can be developed by small and medium-sized businesses in the city of Depok.

3.1. Demographic Profiles of Depok

Demographic information shows that in 2008 Depok has a total population reached 1,503,677 people, consisting of female populations 723.585 and male populations

780.092, with 3.43 percent growth rate and sex ratio in the city of Depok is 102.

Distribution of the population is based on the district can be seen in the following figure.

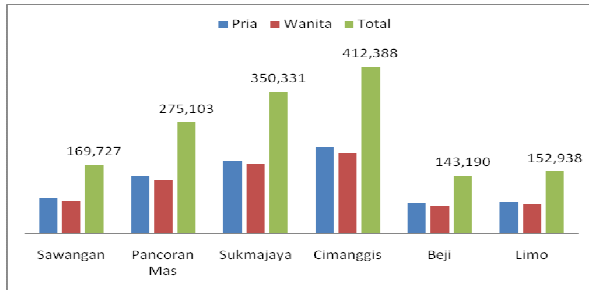


Figure 1. Population Distribution Based on Depok District

Source: Population Projections of BPS Depok, 2008, processed

The figure above shows that there are some districts that have the biggest populations, namely Sukmajaya and Cimanggis. Meanwhile, Beji only has 143.190 populations.

Based on the age distribution, urban population of Depok ranges from 25 to 35 years, and at the age of 0 to 10 years. In age distribution, even with a small difference, but Male are more than female, for almost age groups, as shown in the figure below.

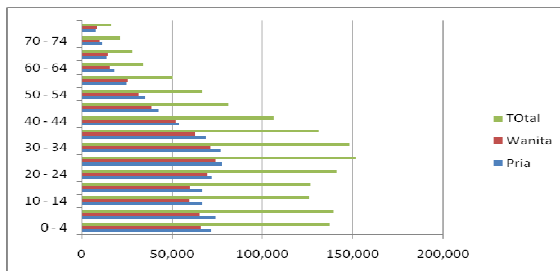


Figure 2. Distribution of Population based on Age and Gender

Source: Population Projections of BPS Depok, 2008, processed

Furthermore, the majority of the population working in the field of Lodgings and Communications, Finance, Insurance, Rental Buildings, Land, and Business Services (40%), in the field of trade and hotels (25%), and social services (20%), the

rest work in manufacturing industry and other fields, as shown in the following figure.

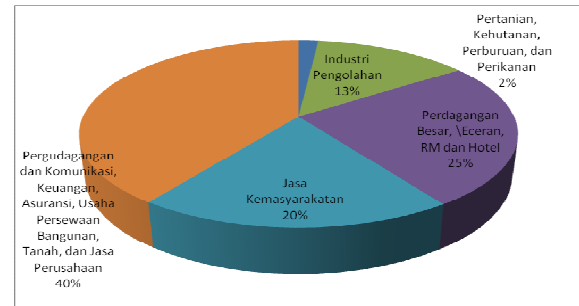


Figure 3. Population Distribution of Depok Based on Fields of Works

Source : Sakernas , 2007

Related to activities in the population in the city of Depok, demographic information shows that the majority of the population is the status of workers (70%), school (13%), housekeeping (2%), unemployed 8%, the rest other status, as shown in the following figure:

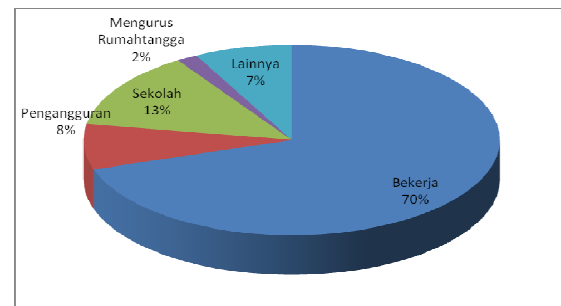


Figure 4. Population Distribution of Depok Based on Activities Within a Week

Source: Sakernas, 2007

3.2. Depok City Demographic Implications For Business

Various information from the demographic profile Depok are often overlooked by small and medium-sized businesses in the city of Depok as a source of business opportunities and the basis for determining business strategy, particularly in terms of production and marketing. From observations in the field very aesthetically, that the production and marketing process are based more on market needs and trends of daily production or orders. There has been no activity relative production and marketing of small and medium-sized businesses that are

based on certain demographic aspects. As an example of 'not yet' there are SMEs that do produce and deliver specific services or consumers focus more on children, because they know that in those areas the majority of its population are children. Also, people have not yet chosen a business location because they still focus on the housewives in certain areas, after identifying that the majority of the populations work as housewives.

The selection of target market that is currently done is generally done by businesses in almost every business, based on demand trends, strategic locations, the ease of raw materials, and so on. Basic considerations like this is not wrong, but the use of geographic information is believed to be a source of alternative business opportunities for small and medium enterprises to compete with large-scale effort, by looking at the existing opportunities and niche markets and has not been taken by the big-scale business.

From the description of the demographic profile of the city of Depok, can be used by small and medium-sized businesses to take advantage of business opportunities that exist with some of the following business strategies:

1. With a population that reaches approximately 1.5 million people, try to get as many customers as possible. With the successful control of 5% only (about 75,000 people) as customers, profits are enormous. For example, if 75 thousand people are willing to buy products with a net profit of Rp. 100, - only, the total profits of small and medium businesses have reached USD 7.5 million, -. When consumption of the products or services are performed customers two times in a month alone, the benefits have been very promising. By leveraging demographic information Depok above, to obtain these benefits, you need to do is one or kominasi from some of the following:
 - a. Because most populations are in the district of Kota Depok Cimanggis and Sukma java, prioritize and strive to get as many customers as possible in these two districts, regardless the markets in other districts

- b. Because the majority of people aged between 25 sd 35 years and between 0 s.d. 10 years, focus on the products / services to be marketed as well as productive age and children. In the garment business, clothes are prioritized to the needs of adults and children, because those ages are very potential market.
- c. Because most residents work in the field of Lodgings and Communications, Finance, Insurance, Rental Property, Land, Business Services and also in the field of trade and hotels, the focus and priority on the production and services in this market are prioritized.
- d. Because 70% of the population are workers Depok, production and sell products and services for workers, such as work clothes, stationary, electronic equipment supporting the work, and the like. Market and college students are also quite good, so that businesses in this area can also be performed.
- e. Pay attention to other geographical information such as gender composition, purchasing power, and many more and and use that information to focus aktivitas business (production and marketing) for business opportunities..
- f. With a variety of demographic information, all business ventures, ranging from product development, pricing, promotion, other marketing mix, services should be directed in accordance with the options specified demographic information.

'Conventional' Production and marketing strategies 'conventional' which is currently been undertaken by small and medium-sized businesses in the city of Depok, still remains relevant to perform, but need to be synergized with the existing demographic information in Depok.

3.3. Other Demographic Pattern

In addition to demographic information in Depok, small businesses and medium enterprises can also use the information from the demographic pattern that has been generated by some previous

studies, with some adjustments. One of these

Table 2—Average budget shares for aggregate consumption categories, 114 countries in 1996¹

Country groups	Food beverages & tobacco	Clothing & footwear	Gross rent, fuel & power	House operations	Medical care	Education	Transport & communica- tion	Recreation	Other
Percent of total expenditures									
Low-income	52.58	7.67	9.65	4.99	3.80	5.40	7.94	1.67	6.30
Middle-income	34.69	7.01	14.55	6.70	7.36	6.88	10.72	3.91	8.18
High-income	16.97	5.65	17.37	6.60	10.16	7.72	12.36	7.84	15.32

¹For detailed data on volume of consumption, nominal expenditures and the budget shares for each country, please contact Yonas Biru, International Comparison Program Development Data Group, World Bank, (202) 473-1268.

demographic patterns are the following.

Source : www.ers.usda.gov.

The table above shows that information for the Indonesian population (including those in low-income groups) when the study was made, most of the budget allocated for food consumption and tobacco / cigarettes (52.58%), followed by some budget allocations on the consumption of other commodities. From the global information business small and medium enterprises in Depok City can also take the information that in Indonesia, Depok City is no exception, the field of food and tobacco businesses do have the greatest business opportunities, followed by business opportunities in other commodities.

4. Conclusions and Recommendations

Efforts to increase the performance of small and medium enterprises can be done in various ways. Business strategy, particularly in terms of producing and marketing products and services are made at this time for granted, but the perpetrators of this business, especially in the city of Depok, still seems to forget and not take advantage of a variety of demographic information available.

Demographic information is specifically can be the basis of business segments, at least for purposes of determining the intended market, determining the type of product to be produced and marketed, the price to be determined, and so on, whether for business or for the prediction of current and future business .

David A. Swanson and Peter A. Morrison, 2007 Teaching Business Demography Using Case Studies*

In the city of Depok, small and medium-sized businesses can produce and market in the region with the greatest concentration of population (Cimanggis and Sukmajaya), with a more obvious target age, they are children and adults with a focus on the workers. Marketing to the needs of students are potential as well.

Taking advantage of this demographic information Depok City, a business strategy that has been done before can be equipped with a strategy based on the demographic aspects of this, so the results can be improved, and mistakes can be reduced.

Finally, the authors recommend a few things as follows:

1. To the provider of demographic data for those institutions (government, Bapeda, BPS Depok, NGOs, Universities and colleges), they should be willing to publish data or studies demographics for the benefit of small and medium enterprises with access to demographic data more easily and cheaply.
2. To small and medium-sized businesses, use a variety of geographic information as often and as much as possible to complete the analysis of business opportunities and determine strategies that have been made at this time, so that mistakes can be avoided and measures of business performance can be improved.

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The Effect of Price Discount and Word-of-Mouth toward Consumer's Purchase Intention and Willingness to Pay (Case Study on Crocs™)

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Abstract

Objectives – This study aims to seek evidence if there are any differences between purchase intention and willingness to pay. In addition, this study also aims to find out the effects of price discount and word-of-mouth on the consumer's purchase intention and their willingness to pay.

Research Design/Methodology – This study uses lab experimental design. Respondents are divided into two groups. In the first group, they are given a 50% discount treatment and a positive word-of-mouth, while in the second group, they are given a 70% discount treatment and a negative word-of-mouth. Multivariate Analysis of Variance (MANOVA) is used to see how independent variables – price discount and moderating variable – word-of-mouth influence the dependent variable – purchase intention and willingness to pay.

Findings – The results of this study indicate that consumers have a more positive attitude on purchase intention than the willingness to pay. Consumers also have a more positive attitude on providing a greater discount. In addition, word-of-mouth influences consumer attitudes. Positive word-of-mouth that is given in the first group (with a 50% discount) improves consumer's purchase intention and raises the willingness to pay to be greater than in the second group who receives a negative word-of-mouth (with 70% discount).

Keywords: price discount, word-of-mouth, purchase intention, willingness to pay, Crocs™

1. Introduction

In human life, footwear is one of the basic needs that must always be fulfilled. Viewed from functional aspect, people use footwear to protect their feet from rough objects and dirt. But now, in choosing footwear, people tend to be more concerned with the emotional aspect rather than the functional itself. By wearing certain type, model and design of footwear, many people wish to be more fashionable and cool.

Crocs, Inc. is a footwear company that was founded in 2002 by George B. Boedecker, Jr. and is headquartered in Colorado, United States. The core product are shoes for children, men and women with Crocs™ trademark. All Crocs™ brand shoes feature Crocs' proprietary closed-cell resin, Croslite™, which represents a substantial innovation in footwear. The Croslite™ material enables Crocs to produce soft, comfortable, lightweight, superior-gripping, non-marking and odor-resistant shoes.

Originally, its products designed specifically as spa slipper (for health) and footwear in outdoor activities (anti slip footwear). But, since Crocs™ introduced its products at Florida Boat Show Exhibitions, its popularity had soared rapidly. Today, Crocs™ products are sold in over 125 countries and available in various models and colors.

Currently, we can easily find people wearing Crocs™ in many big cities in Indonesia. This opportunity is seized by businessmen (mainly from China) to produce non-genuine (aka counterfeit aka replica) crocs products at a lower price.

If a pair of authentic Crocs™ is priced around Rp 450.000, now we can buy a pair of crocs look-alike with only Rp 20.000, even though its quality is far below the authentic one. If we want to have a crocs replica with a quality that's about the same with authentic Crocs™, they are available in the market for around Rp 200.000. Although the price of crocs replica is far below than the authentic one, many

customers think that Crocs replica are comfortable enough to wear, so many of them prefer to buy those instead.

To prevent this unpleasant condition, on certain periods, Crocs™ company sells their products with up to 70% price cut. Of course, the purpose of this event is to increase sales of Crocs™. When this event was launched on 15-19 March 2010 in Senayan City, Jakarta, thousands of people were willing to queue up to 6 floors.

According to Freddie, who currently serves as Managing Partners Creative Director PT Metrox Lifestyle, distributor of Crocs™ brand in Indonesia, positive word-of-mouth within the society plays an important part in their success story. Crocs™ optimize almost all social media networking websites such as Facebook, Friendster, forums, blogs, and they also established a cooperation with detik.com. Sending routine text messages to their existing customers that are registered in their database is also one of their strategies. Freddie is sure that there has been a multiplier effect on those messages, so if Crocs send out text messages to 20 thousand people, then the recipients can multiply up to 20 times. This happens due to the word-of-mouth effect.

However, it did not happen as expected in Bandung. Even though the same event was held in Bandung, but only a small number of customers who were interested in buying their products. It is not because they do not like Crocs™. They do like Crocs™, but they do not notice significant differences between authentic Crocs™ products and their counterfeit/replica products. Plus, there were also unsubstantiated claims spreading around about Crocs™ being not good for health and can cause cardiac arrest. Based on these phenomena, we are interested to conduct a research on this matter.

2. Literature Review

Consumers develop attitudes about products, brands, and advertisements; and these attitudes influence their buying decisions. According to Fishbein and Ajzen (1975), a person's attitude consists of his salient beliefs. Belief are the subjective associations between any two

distinguishable concepts. Such salient beliefs are activated from memory and considered in a given situation.

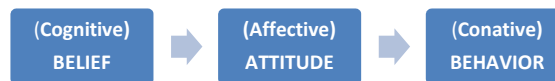


Figure 1. Hierarchy of Effects Model

As seen in figure above, the traditional hierarchy of effects, as propounded by Lavidge and Steiner (1961), postulates that consumer attitudes are developed through a sequence of mental stages – cognitive, affective, and conative. Attitude formation on a brand thus starts with beliefs (the cognitive stage) about the brand. This learning process then leads to brand evaluation (the affective stage) or a total attitude towards the brand, which in turn leads to behavior change (the conative stage) in terms of action or, at least, a tendency to act.

Arjun Chaundhuri (2005) has designed a model by including both emotion and reason in the formation of brand attitudes. He describes the effect of brand beliefs, brand evaluations, and brand attitudes on purchase intent and willingness to pay. Chaundhuri explain that purchase intention is different from willingness to pay and it is hypothesized:

H₁: Consumer's purchase intention will be higher than their willingness to pay.

Kotler and Keller (2009) explains there are several tools of marketing communication mix that can be used by marketers to promote their products: advertising, sales promotion, event/experiences, public relations (PR) & publicity, personal selling, and direct marketing. From list above, one tool that can make directly impact to increase sales is sales promotion, by giving discount to consumers. In this case, the greater the discount is being given, the higher consumers' buying intention and willingness to pay. It is hypothesized:

H₂: Consumer's purchase intention after being given a discount of 50% higher than their purchase intention if not given a discount.

H₃: Consumer's purchase intention after being given a discount of 70% higher than their purchase intention if not given a discount.

H₄: Consumer's purchase intention by giving discount of 70% is higher than if only given a discount of 50%

H₅: Consumer's willingness to pay after being given a discount of 50% higher than their willingness to pay if not given a discount.

H₆: Consumer's willingness to pay after being given a discount of 70% higher than their willingness to pay if not given a discount.

H₇: Consumer's willingness to pay by giving discount of 70% is higher than if only given a discount of 50%.

In 1940, Paul Lazarsfeld, founder of the doctoral degrees in Mathematics and the Bureau of Applied Social Research, conducted interviews of 600 Erie Country residents (Ohio, USA). The goal is to find out how big the mass media role in changing the choices of voters in General Election.

At that time people thought that the mass media very effectively change the choices of voters. That's why millions dollars spent on campaigns of candidates on mass media such as radio and newspapers. Apparently, Lazarsfeld's finding is astonishing and shows that the influence of mass media on the choice of voters is very small.

These results make Lazarsfeld propose theorem about "Two Steps Flow of Communication". At the first step, the mass media should influence opinion leaders. And then, opinion leaders will influence other individuals. Other Lazarsfeld's research shows that the influence of mass media is much smaller than word-of-mouth.

According to George R. Silverman, as quoted in the book Marketing Communication (2005:193), "word-of-mouth was positive or negative communication of products, services, and ideas via personal communication of

people who have no commercial vested interest in making that recommendation".

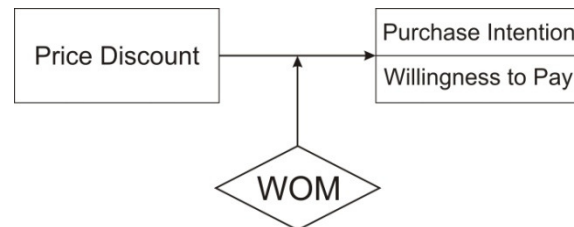


Figure 2. Theoretical Framework

For this case, although price discount could increase consumer's purchase intention and willingness to pay, but if consumer previously received negative word-of-mouth, then it will reduce their purchase intention and willingness to pay. And it is hypothesized:

H₈: Positive word-of-mouth will increase consumer's purchase intention.

H₉: Negative word-of-mouth will decrease consumer's purchase intention.

H₁₀: Although giving a discount of 50% lower than 70%, but because the existence of word-of-mouth, consumer's purchase intentions by being given a discount of 50% with positive word-of-mouth will be higher than consumer's purchase intention by given discount of 70% with negative word-of-mouth.

H₁₁: Positive word-of-mouth will increase consumer's willingness to pay.

H₁₂: Negative word-of-mouth will decrease consumer's willingness to pay.

H₁₃: Although giving a discount of 50% lower than 70%, but because the existence of word-of-mouth, consumer's willingness to pay by being given a discount of 50% with positive word-of-mouth will be higher than consumer's willingness to pay by given discount of 70% with negative word-of-mouth.

3. Research Design

This research used lab experiment with 2 x 3 design that can be seen in the following table:

Table 1. Experimental Design

Group	TREATMENT		
	Discount	WOM	Explanation
Group 1	-	-	Control Group 1
	50%	-	Experiment Group 1.1
	50%	Positive	Experiment Group 1.2
Group 2	-	-	Control Group 2
	70%	-	Experiment Group 2.1
	70%	Negative	Experiment Group 2.2

A total of 200 undergraduate students of Parahyangan Catholic University (UNPAR) participated to the two between-subjects condition. The test stimuli consisted of two pairs of samples:

1. Groups with 50% price discount and positive word-of-mouth
2. Groups with 70% price discount and negative word-of-mouth

For every group, 3 x 14 questions are distributed to measure consumer's purchase intention and willingness to pay. In the first part of the questionnaire, respondents do not receive price discount and word-of-mouth treatment. At the second part, respondents only receive a price discount treatment and at the last part, they receive both price discount and word-of-mouth treatment.

The questionnaire is designed by using seven point Likert scale (very disagree – very agree). The validity is tested by using factor analysis and if the KMO's score is greater than 0.5 means that the questionnaire are valid. Cronbach's Alpha is used to measure the questionnaire's reliability. The questionnaire item will be said as reliable if the Cronbach's Alphas score is greater than 0.6.

All the hypotheses are tested by using Multivariate Analysis of Variance (MANOVA) and t-test. All the statistical calculation are calculated using SPSS 17.

4. Result / Implication

4.1 Descriptive Statistics

There are 200 questionnaires that were filled completely, with combination of 50% both for male and female respondents. The descriptive statistic of respondents can be seen in the following table.

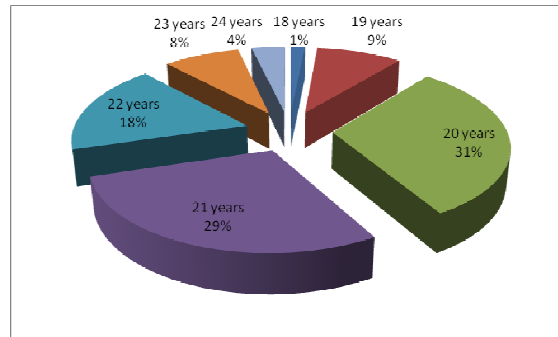


Figure 3. Age

Because all of the respondents are undergraduated students at UNPAR, their age are range between 19-24 years old, with mean 21.08 years.

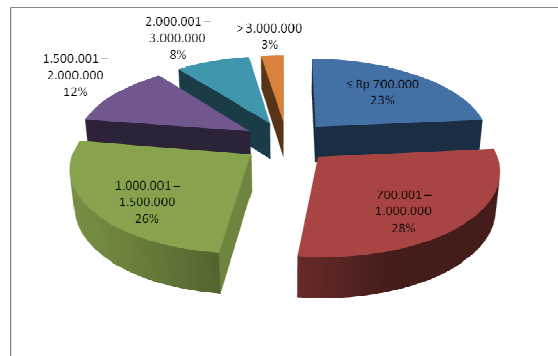


Figure 4. Income

Even though 77.5% respondents have income under Rp 1,500,000, but their money still comes from their parents. From above statistic description, we can conclude that the sample used is a part of Crocs™ target market, which is middle to upper class youth.

4.2 Validity and Reliability

To confirm the validity of the questionnaire, we used factor analysis test. The results showed up to be sufficient enough to meet factor

analysis, because all of the questionnaire items had KMO's score greater than 0.5.

Table 2. Scale Item

PURCHASE INTENTION (KMO's score: CG = 0.902; EG #1 = 0.923; EG #2 = 0.925) I have great intention to buy a Crocs™. I will consider to buy a Crocs™. I will buy a Crocs™ in one month forward. I will buy a Crocs™ if it is recommended by family member/relative. I still have intention to buy a Crocs™ although I don't have enough money. I want to buy a Crocs™ although the distance between my home and Crocs™ outlet is far enough. I want to buy a Crocs™ although the price is more expensive than other brand. I want to buy a Crocs™, even though there are many other brand of shoes in market. I want to buy a Crocs™ although I have had another Crocs™ before.
WILLINGNESS TO PAY (KMO's score: CG = 0.831; EG #1 = 0.861; EG #2 = 0.876) I am willing to spend Rp 450,000 to purchase a Crocs™ compared to other brands. I am willing to spend Rp 450,000 to purchase a Crocs™, even though this decision requires me to borrow money from someone else. I am willing to spend Rp 450,000 to purchase a Crocs™, even though its product is more expensive than other competitor's. I am willing to spend Rp 450,000 to purchase a Crocs™ product if it is recommended by a family member/relative. I am willing to pay Rp 450,000 to purchase a Crocs™ even though I have had another Crocs™ before.

Apparently all variables were valid because the calculation result for purchase intention and willingness to pay in control group, experimental group #1, and experimental group #2 all clustered into a single factor.

The reliability is tested by using Cronbach's Alpha. All questionnaire are reliable because all the Cronbach's Alpha score is greater than 0.6 (minimum score = 0.976).

4.3 Result Analysis

There are 13 hypotheses to be tested. T-test is used to test H_1 and MANOVA is used to test 12 other hypotheses. If the significant level is smaller than 0.05, it means there is a difference between one group and another group that is being tested and the amount of differences is described as mean difference. The result is mentioned in table 3. There are only 8 hypotheses that are accepted: H_1 , H_2 , H_3 , H_5 , H_6 , H_9 , H_{10} , and H_{12} .

Table 3. Result (Grand Mean)

GROUP	TREATMENT	PURCHASE INTENTION	WILLINGNESS TO PAY
1.	No Discount, No WOM	2,66	2,19
	50% Discount, No WOM	3,30	2,90
	50% Discount, Positive WOM	3,27	2,97
2.	No Discount, No WOM	2,56	2,11
	70% Discount, No WOM	3,53	3,40
	70% Discount, Negative WOM	2,69	2,68

The MANOVA results show that there are no significant differences between control group #1 and control group #2. This means that group #1 and #2 have the same characteristics.

From the result, we can see that consumer's purchase intention will be higher than their willingness to pay. When asked whether a consumer has an intention to buy Crocs™ or not, in general they do have an interest to buy the product in question. But after

Table 4. Hypotheses Testing

Hypotheses		Mean Difference	Sig.	Result
H ₁	Consumer's purchase intention will be higher than their willingness to pay.	8.766 (t-test)	0.000	ACCEPTED
H ₂	Consumer's purchase intention after being given a discount of 50% higher than their purchase intention if not given a discount.	0.6378	0.018	ACCEPTED
H ₃	Consumer's purchase intention after being given a discount of 70% higher than their purchase intention if not given a discount.	0.9767	0.000	ACCEPTED
H ₄	Consumer's purchase intention by giving discount of 70% is higher than if only given a discount of 50%	0.2367	0.841	Not significant
H ₈	Positive word-of-mouth will increase consumer's purchase intention.	- 0.0289	1.000	Not significant
H ₉	Negative word-of-mouth will decrease consumer's purchase intention.	- 0.8444	0.000	ACCEPTED
H ₁₀	Although giving a discount of 50% lower than 70%, but because the existence of word-of-mouth, consumer's purchase intentions by being given a discount of 50% with positive word-of-mouth will be higher than consumer's purchase intention by given discount of 70% with negative word-of-mouth.	0.5789	0.043	ACCEPTED
H ₅	Consumer's willingness to pay after being given a discount of 50% higher than their willingness to pay if not given a discount.	0.7120	0.009	ACCEPTED
H ₆	Consumer's willingness to pay after being given a discount of 70% higher than their willingness to pay if not given a discount.	1.2880	0.000	ACCEPTED
H ₇	Consumer's willingness to pay by giving discount of 70% is higher than if only given a discount of 50%.	0.4940	0.169	Not significant
H ₁₁	Positive word-of-mouth will increase consumer's willingness to pay.	0.0680	1.000	Not significant
H ₁₂	Negative word-of-mouth will decrease consumer's willingness to pay.	- 0.7160	0.008	ACCEPTED
H ₁₃	Although giving a discount of 50% lower than 70%, but because the existence of word-of-mouth, consumer's willingness to pay by being given a discount of 50% with positive word-of-mouth will be higher than consumer's willingness to pay by given discount of 70% with negative word-of-mouth.	0.2900	0.733	Not significant

they are told the price they will have to pay, the intention decreases.

Giving price discount is proven to make consumer's attitude to be more positive. This becomes evident with the increase of

consumer's purchase intention and their willingness to pay after being given 50% and 70% discounts.

This is in accordance with Kotler's opinion which states that one of the most effective

marketing communication tools in increasing sales is sales promotion, in which one of the tools used is by giving price discount.

However, giving a greater price discount does not improve consumer's attitude significantly. This is proven by a lack of significant difference in consumer's purchase intention and their willingness to pay after being given a 70%, compared with being given a 50% discount.

Even though giving discounts can make consumer's attitude be more positive, but if that consumer has had a negative word-of-mouth, then it will decrease the consumer's purchase intention and willingness to pay. Even though the company gives a 70% discount, but if there is a negative word-of-mouth, then the consumer's attitude is no different than those without a discount and without word-of-mouth (control group).

Even though a negative word-of-mouth is greatly harmful, but the existence of positive word-of-mouth does not give beneficial effects to the company. This is proven by the consumer's attitude that is not different before and after having a positive WOM treatment (experimental group 1.1 and 1.2).

5. Conclusion

From this research, we can conclude that there is a difference between consumer's purchase intention and their willingness to pay. Giving price discount can turn both consumers' attitudes to a positive direction

However, the company needs to be cautious when planning their promotional strategy because the cost to hold a sale event is not cheap. In the other hand, even if the company keeps on the promotion, but if the community has been spoiled by negative rumors, this can decrease the positive effect from the price discount, so the consumer's purchase intention and their willingness to pay will stay low.

This research has some limitations. The first limitation is the chosen respondents are UNPAR students, so it is probable that the phenomenon only occurs in UNPAR, for teens

and youths aged 19-24 and from middle class to upper class social status.

The second limitation is that we only use one communication mix tool which is sales promotion (by using price discount), out of 6 communication mix tools available, so that this research cannot be generalized to measure the effect of communication mix toward consumer's attitude.

The third limitation is the product being analyzed is Crocs™. This will not hold true when implemented to other products. Maybe in the future, there will be another research to fix current limitations.

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Appendix 1
Multiple Comparisons

			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Dependent Variable	(I) Treatment	(J) Treatment						
Purchase_1 ntention	Tukey HSD	No Discount No WOM (Group 1)	50% Discount No WOM (Group 1)	-.6378*	,19872	,018	-1,2059	-,0696
			50% Discount (+) WOM (Group 1)	-.6089*	,19872	,028	-1,1770	-,0407
			No Discount No WOM (Group 2)	,1022	,19872	,996	-,4659	,6704
			70% Discount No WOM (Group 2)	-.8744*	,19872	,000	-1,4426	-,3063
			70% Discount (-) WOM (Group 2)	-,0300	,19872	1,000	-,5982	,5382
		50% Discount No WOM (Group 1)	No Discount No WOM (Group 1)	,6378*	,19872	,018	,0696	1,2059
			50% Discount (+) WOM (Group 1)	,0289	,19872	1,000	-,5393	,5970
			No Discount No WOM (Group 2)	,7400*	,19872	,003	,1718	1,3082
			70% Discount No WOM (Group 2)	-,2367	,19872	,841	-,8048	,3315
			70% Discount (-) WOM (Group 2)	,6078*	,19872	,028	,0396	1,1759
		50% Discount (+) WOM (Group 1)	No Discount No WOM (Group 1)	,6089*	,19872	,028	,0407	1,1770
			50% Discount No WOM (Group 1)	-,0289	,19872	1,000	-,5970	,5393
			No Discount No WOM (Group 2)	,7111*	,19872	,005	,1430	1,2793
			70% Discount No WOM (Group 2)	-,2656	,19872	,765	-,8337	,3026
			70% Discount (-) WOM (Group 2)	,5789*	,19872	,043	,0107	1,1470
		No Discount No WOM (Group 2)	No Discount No WOM (Group 1)	-,1022	,19872	,996	-,6704	,4659
			50% Discount No WOM (Group 1)	-,7400*	,19872	,003	-1,3082	-,1718
			50% Discount (+) WOM (Group 1)	-,7111*	,19872	,005	-1,2793	-,1430
			70% Discount No WOM (Group 2)	-,9767*	,19872	,000	-1,5448	-,4085
			70% Discount (-) WOM (Group 2)	-,1322	,19872	,986	-,7004	,4359
		70% Discount No WOM (Group 2)	No Discount No WOM (Group 1)	,8744*	,19872	,000	,3063	1,4426
			50% Discount No WOM (Group 1)	,2367	,19872	,841	-,3315	,8048
			50% Discount (+) WOM (Group 1)	,2656	,19872	,765	-,3026	,8337
			No Discount No WOM (Group 2)	,9767*	,19872	,000	,4085	1,5448
			70% Discount (-) WOM (Group 2)	,8444*	,19872	,000	,2763	1,4126
		70% Discount (-) WOM (Group 2)	No Discount No WOM (Group 1)	,0300	,19872	1,000	-,5382	,5982
			50% Discount No WOM (Group 1)	-,6078*	,19872	,028	-1,1759	-,0396
			50% Discount (+) WOM (Group 1)	-,5789*	,19872	,043	-1,1470	-,0107
			No Discount No WOM (Group 2)	,1322	,19872	,986	-,4359	,7004
			70% Discount No WOM (Group 2)	-,8444*	,19872	,000	-1,4126	-,2763

Appendix 2

Multiple Comparisons

			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Dependent Variable	(I) Treatment	(J) Treatment						
Willingness _to_Pay	Tukey HSD	No Discount No WOM (Group 1)	50% Discount No WOM (Group 1)	-.7120 [*]	,20862	,009	-1,3084	-,1156
			50% Discount (+) WOM (Group 1)	-.7800 [*]	,20862	,003	-1,3764	-,1836
			No Discount No WOM (Group 2)	,0820	,20862	,999	-,5144	,6784
			70% Discount No WOM (Group 2)	-1.2060 [*]	,20862	,000	-1,8024	-,6096
			70% Discount (-) WOM (Group 2)	-,4900	,20862	,176	-1,0864	,1064
		50% Discount No WOM (Group 1)	No Discount No WOM (Group 1)	,7120 [*]	,20862	,009	,1156	1,3084
			50% Discount (+) WOM (Group 1)	-,0680	,20862	1,000	-,6644	,5284
			No Discount No WOM (Group 2)	,7940 [*]	,20862	,002	,1976	1,3904
			70% Discount No WOM (Group 2)	-,4940	,20862	,169	-1,0904	,1024
			70% Discount (-) WOM (Group 2)	,2220	,20862	,895	-,3744	,8184
		50% Discount (+) WOM (Group 1)	No Discount No WOM (Group 1)	,7800 [*]	,20862	,003	,1836	1,3764
			50% Discount No WOM (Group 1)	,0680	,20862	1,000	-,5284	,6644
			No Discount No WOM (Group 2)	,8620 [*]	,20862	,001	,2656	1,4584
			70% Discount No WOM (Group 2)	-,4260	,20862	,320	-1,0224	,1704
			70% Discount (-) WOM (Group 2)	,2900	,20862	,733	-,3064	,8864
		No Discount No WOM (Group 2)	No Discount No WOM (Group 1)	-,0820	,20862	,999	-,6784	,5144
			50% Discount No WOM (Group 1)	-,7940 [*]	,20862	,002	-1,3904	-,1976
			50% Discount (+) WOM (Group 1)	-,8620 [*]	,20862	,001	-1,4584	-,2656
			70% Discount No WOM (Group 2)	-1.2880 [*]	,20862	,000	-1,8844	-,6916
			70% Discount (-) WOM (Group 2)	-,5720	,20862	,069	-1,1684	,0244
		70% Discount No WOM (Group 2)	No Discount No WOM (Group 1)	1.2060 [*]	,20862	,000	,6096	1,8024
			50% Discount No WOM (Group 1)	,4940	,20862	,169	-,1024	1,0904
			50% Discount (+) WOM (Group 1)	,4260	,20862	,320	-,1704	1,0224
			No Discount No WOM (Group 2)	1.2880 [*]	,20862	,000	,6916	1,8844
			70% Discount (-) WOM (Group 2)	,7160 [*]	,20862	,008	,1196	1,3124
		70% Discount (-) WOM (Group 2)	No Discount No WOM (Group 1)	,4900	,20862	,176	-,1064	1,0864
			50% Discount No WOM (Group 1)	-,2220	,20862	,895	-,8184	,3744
			50% Discount (+) WOM (Group 1)	-,2900	,20862	,733	-,8864	,3064
			No Discount No WOM (Group 2)	,5720	,20862	,069	-,0244	1,1684
			70% Discount No WOM (Group 2)	-,7160 [*]	,20862	,008	-1,3124	-,1196

Case Study of Rattan Industry Revival in Indonesia

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Abstract

Purpose – The purpose of this paper is to identify the key factors that affect the product development of rattan industry, present a set of marketing approach in product development methods for Indonesian rattan industry in order to be survived in international market, and explore the idea to improve the product development of rattan products from the marketing side; based on literature review and case study of this industry.

Design/methodology/approach - The research used exploratory research which consists of literature study, secondary data, and experts in-depth interview.

Findings – The revival of rattan industry in Indonesia has to be supported by all the stakeholders of this in order to make this industry more competitive in international market.

Keywords: product development, rattan industry, furniture, export, global market, international trade, cross-case analysis

1. Introduction

Rattan is one of the most important non-wood forest products. It has for about 600 different species. It is mostly planted in the wild tropical forests of South and Southeast Asia, some parts of the South Pacific (particularly Papua New Guinea), and West Africa.

Rattan is used for many purposes. Furniture is the most popular rattan product. Besides that, rattan is also used for handicrafts such as baskets, floor mats, bags, hats, hoops, lamp shades, interior decorations, etc.

More than 700 million people all over the world trade in or use rattan for various purposes. In the last 20 years, the international trade of rattan has grown rapidly. The trade is dominated by Southeast Asia countries. By the late of 1980s, the collective annual value of rattan exports of Indonesia, Philippines, Thailand, and Malaysia had raised to almost \$400 million with Indonesia accounting for 50% of this international trade (Sunderland and Dransfield, 2000).

Rattan furniture trade probably contributes less than 4% of world trade of all furniture. However, in Asia the rattan furniture industry contributes approximately more than 25% in value of all furniture industry output, and it is growing (UNIDO, 1983; ESCAP, 1991; FAO, 1998).

In Indonesia, this industry has grown rapidly since 1980s. Indonesia dominates the world

rattan trade among the producer countries. Indonesia as the largest producer country has abundant supply of wild and cultivated rattan.

This tropical country is rich of tropical forest and various plant species. From 195 million hectares, around 108 million hectares or about 60% is covered by permanent rain forest. It makes Indonesia become the third largest track of rain forest in the world.

A survey shows that approximately 80 – 90% of the world's raw rattan materials come from Indonesia, especially from Sulawesi, Kalimantan, and Sumatra. An estimated 37.000 ha of mostly high-value rattan species are grown in Indonesia (INBAR, 1998).

The annual allowable cut from the 11.5 million hectares of the country's rattan-rich forested areas is estimated at 700 000 tons. Indonesia will give a large impact on the global rattan market (INBAR, 1998; Soedarto, 1999)

Furniture industry is considered as one of the superior industries in Indonesia. This industry is a potential industry that needs to be preserved. It contributes much to the country's employment with the employment potential approximately 2.5 million workers directly, and 1.2 million indirectly. It is predicted that for the increasing 1 billion dollars of rattan furniture export, will need 5 billions of employer in the industry. (according to the official website of *Direktorat Jenderal Pengolahan dan Pemasaran Hasil Pertanian*. Stated by Rachmat Gobel ,

Wakil Ketua Umum Kadin Indonesia Bidang Industri, Teknologi, dan Kelautan)

Moreover, it has the complete chain of industry. The sources of material and human skills are available in the country abundantly, as mentioned in the Indonesian tracks of rattan supply above.

Declining Export

Indonesian rattan industry is experiencing a declining export, especially in last 3 years. The condition was worsened by the global financial crisis that begins in 2008. This crisis affects much to the industries in Indonesia. One of industry that gets the impact from this crisis is rattan industry. Beginning with the crisis in United States, the export of rattan has decreased into 50% in 2008. The industry export records are shown in Figure 1 and Figure 2.

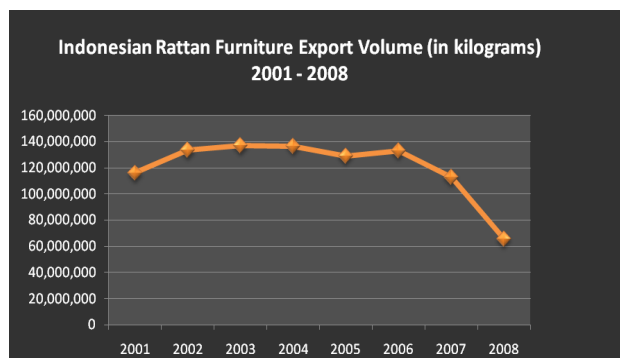


Figure 1. Indonesian Rattan Export Volume



Source: Badan Pusat Statistik, rocessed and tabulated by ASMINDO

Figure 2. Indonesian Rattan Export Value (in US\$)

Ironic that Indonesia as the highest rattan supplier who produces 80% - 90% world's rattan loses in the export of furniture than other countries. China and some other countries export more furniture than Indonesia. Indonesia only

holds the market share 2.9% with growth 7% per year. China has the rattan production growth 11% and Germany 9%. Actually, the rattan furniture has the attractiveness in the foreign countries.

They are seemed as the unique product because of its natural characteristics. This perception can be supported by the good design of the product itself to attract more people to buy this product. The needs of furniture also actually never die. The needs for homes, hotels, tourism objects, restaurant, cafe, etc, have opened a big opportunity for this industry.

2. Conceptual Framework

Product development can be defined as the set of activities beginning with the perception of a market opportunity and ending in the production, sale, and delivery of a product (Ulrich and Eppinger, 2004). From the perspective of the investors in a for-profit enterprise, successful product development results in products that can be produced and sold profitably, yet profitability is often difficult to assess quickly and directly.

Product development requires contributions from all the functions of a firm but there are three main functions that become the central to a product development, as shown in Figure 3.

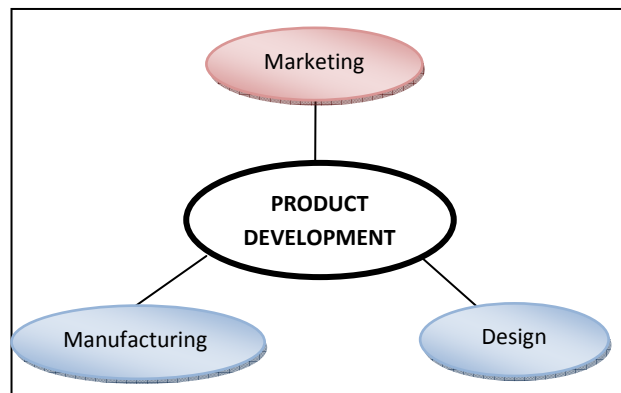


Figure 3. Central Functions of Product Development

The marketing function mediates the interactions between the firm and its customers. Marketing often facilitates the identification of product opportunities, the definition of market segments, and the identification of customer needs. Marketing also typically arranges for communication between the firm and its

customers, sets target price, and overseas the launch and promotion of the product.

A product development process is the sequence of steps or activities which an enterprise employs to conceive, design, and commercialize a product (Ulrich and Eppinger, 2004: 12).

The generic product development process consists of six phases, as shown in *Table 1*. The process begins with a planning phase, which is the link to advanced research and technology development activities. The output of the

planning phase is the project's mission statement, which is the input required to begin the concept development phase and which serves as a guide to the development team. The conclusion of the product development process is the product launch, at which time the product becomes available for purchase in the marketplace. Many of those steps and activities above are intellectual and organizational rather than physical.

2.1 Generic Product Development Process

Table 1 The Generic Product Development Process

Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Planning	Concept Development	System-Level Design	Detail Design	Testing and Refinement	Production Ramp-up
MARKETING					
- Articulate market opportunity - Define market segments	- Collect customer needs - Identify lead users - Identify competitive products	- Develop plan for product options and extended product family - Set target sales price points	Develop marketing plan	- Develop promotion and launch materials - Facilitate field testing	Place early production with key customers.
DESIGN					
- Consider product platform and architecture - Assess new technologies	- Investigate feasibility of product concept. - Develop industrial design concept. - Build and test experimental prototypes	- Generate alternative product architectures - Define major subsystems and interfaces - Refine industrial design	- Define part geometry - Choose materials - Assign tolerance. - Complete industrial design control documentation	- Reliability testing - Life testing - Performance testing - Obtain regulatory approvals - Implement design changes.	Evaluate early production output
MANUFACTURING					
- Identify production constraints - Set supply chain strategy	- Estimate manufacturing cost - Assess production feasibility	- Identify suppliers for key components. - Perform make-buy analysis - Define final assembly scheme. - Set target costs.	- Define piece-part production processes. - Design tooling - Define quality assurance processes. - Begin procurement of long-lead tooling.	- Facilitate supplier ramp-up. - Refine fabrication and assembly processes. - Train work force. - Refine quality assurance processes.	- Begin operation of entire production system.
OTHER FUNCTIONS					
- Research: Demonstrate available technologies. - Finance: provide planning goals - General Management: Allocate project resources	- Finance: Facilitate economic analysis - Legal: Investigate patent issues.	- Finance: Facilitate make-buy analysis - Service: Identify service issues.		Sales: Develop sales plan.	

Source: Ulrich and Eppinger, (2004: 14).

3. Methodology

3.1 Exploratory Research Design

❖ Literature Study

The literature study was used in understanding the basic concept of product development and its generic model, market opportunities, market segmentation (segmenting international market), and customer needs, wants, and demand. The findings from literature study were used as the guidelines in doing every stage of the research.

❖ Secondary Data

The secondary data, which is statistical data, was used to give the illustration of the general condition of rattan industry, both locally and globally. The data was the statistics of Indonesian exports and imports (in volume and value).

❖ Expert In-Depth Interview

This method was conducted to verify the current conditions, product attributes, competitors, target market, customer needs, lead users, competitive products, product option and extended product family, target sales price points, and marketing plan. The interview was conducted to the main stakeholders of rattan furniture rattan industry, who are the producers, related association, and raw material suppliers. The producers are:

1. PT. Erlangga Bina Niaga Harmonia
2. CV. Indosurya Mahakam
3. Yamakawa Rattan International Co., Ltd.

Two of those companies, who are PT. Erlangga Bina Niaga Harmonia and CV. Indosurya Mahakam, are the local company. One of them, who is Yamakawa Rattan International Co., Ltd, is non-Indonesian company. It is a Japanese company. Those companies were chosen to be the sources of interview because of some considerations. They are the mid-up rattan producers in the industry region, which is located in Cirebon, West Java. They also tend to be the trendsetters of the other producers who are in the mid-low range. Besides that, most entrepreneurs from those companies know much about the rattan furniture industry.

The related association of the rattan furniture industry that is interviewed was

Indonesia Furniture Industry & Handicraft Association (ASMINDO). ASMINDO now stands strong as the supreme body of the furniture business community. This association plays a vital role as the official furniture body responsible for maintaining a regular dialogue with government and for consultation with various government agencies and with the private sector, domestically or internationally. ASMINDO is also responsible for initiatives to further establish and develop Indonesia's furniture and handicraft industries, including improving quality control, promotion, and marketing. ASMINDO has a membership strength more than 2000 companies, all of which reengage in the manufacturing and exporting of furniture and furniture related products, wood working and also handicraft.

4. Case Studies

4.1 Key Success Factors of the Product Development of Rattan Industry

The data analyses show some key factors that affect the product development of rattan industry in Indonesia. They are:

- ✓ Macro environment
- ✓ Government Policy
- ✓ Market Segmentation
- ✓ Research and Development
- ✓ Human Resources

In overall, the *macro environment* which is the global market condition affects much to the product development of rattan industry in Indonesia. When the global market condition is going down, the sustainability of this industry is also threatened because they are oriented in the global market. It is proved by the recent condition, when the global economic crisis hit some countries, almost 50 % producers of rattan product, especially in furniture were bankrupt. It creates the domino effect to the raw materials suppliers which faced the oversupplies when the industry doesn't much utilize the raw materials.

Besides that, the *government policy* which now being the hottest issue in this industry, is also identified as a factor that being concerned almost all stakeholders of this industry that affect to the growth of rattan industry. The availability of raw materials is very important for the producers. By the raw rattan export

legacy regulation, it is not about the supply and demand of raw rattan, but it is about competition of this industry with other countries. This regulation grows the competitors' industry which can lessen the market share of Indonesia. This regulation has made controversies between stakeholders.

The *market segmentation* is also important in setting the right target market for rattan products. The market for this industry is global market which consists of many countries with its different characteristics. It needs deeper consideration to choose which countries that should be targeted.

Research and development are also considered as the important things in product development of rattan product. The rattan products are mostly related to the designs, such as furniture and handicrafts. It is considered as the ways to continuously explore the product potentials of rattan to be adapted in this rapid market.

The *human resources*, especially in marketing are not being addressed well for this industry. Indonesia has good craftsman to make favorable furniture and handicrafts. But if it is not supported by the great marketing team, the market will not know about this product. The development of human resources in this industry is also need to be developed.

4.2 Marketing Approach in Product Development to Make Indonesian Rattan Industry Survived in the International Market



Figure 4 Phase 0-3 of Generic Product Development

In overall, it back to the generic model of product development. According to the process of product development until the Phase 3, the steps are planning, concept development, system level design, and detail design. The producers and association need to do:

Planning

- Grab the opportunities for this industry that come from domestic or global.
- Find the new customer by tracing the potential target market in other countries and try to enter the non-traditional market in order to expand the market.

Concept Development

- Investigate the customer and interact with them in order to get know deeper of their needs.
- Maintain the lead users. It is important to keep the loyal customer besides find the new customers.
- Keep the competitive product because it is favorable. Besides that, the improvisation with the competitive products is also needed to offer something new to customer and avoid saturated market.

System Level Design

- Develop plan for product options and extended product family by doing research and development of this products. This is considered to offer more product designs and concept to the world market that has different taste.
- Set target sales price points. It needs to make a price protection for this industry in order to strengthen the bargaining power of local industry in international market.

Detail Design

- Set the integrated marketing plan for this industry.

5. Recommendation

Furniture industry is considered as one of the superior industries in Indonesia. This industry is a potential industry that needs to be preserved. The author gives some recommendation for the stakeholders of this industry, especially producers, government, and national association.

5.1 Revise the Government Policy

Peraturan Menteri Nomor 12/M-DAG/PER/6/2005 which contains the legacy of exporting raw rattan materials has impacted the growth of rattan industry in Indonesia. By

exporting raw materials to the competitor countries that actually don't have the materials, it grows the rattan industry in those countries. The market that should be dominated by Indonesia, then shared with other countries. Worst, Indonesia as the rattan producer country hold a small market shares than others who don't have rattan.

The revision should aim at the export of the final product rather than raw products. By exporting the final product, it will create more value for Indonesia. From the social side, it creates more jobs if Indonesia focuses on the export of final products. It is so in the economic side. According to the historical data from *Departemen Perindustrian* in 2001 – 2004 when Indonesia didn't export the raw materials, the amount of companies increased from 923 companies to 1060 companies. The employment also increased from 51,432 to 61,140 employees. From the side of employment, the manufacture sector absorbs more employees than the raw material sector. Since 2007, the declining felt significant. A company that is usually able to export 120 containers / year, then they are only able to export 15-20 containers / year. Worst, many companies was bankrupt.

This can be attempted by the law steps for that policy. By taking a deep understanding of *Undang-Undang Dasar 1945*, especially *Pasal 33 ayat 3*, “*Bumi dan air dan kekayaan alam yang terkandung di dalamnya dikuasai oleh negara dan dipergunakan untuk sebesar-besar kemakmuran rakyat*”, the people's wealth here should be more interpreted and focused on the employment. When the raw rattan is exported, hundreds of employees in manufacturing sector are fired.

5.2 Shortcut the Distribution by Opening Branches in the Targeted Countries

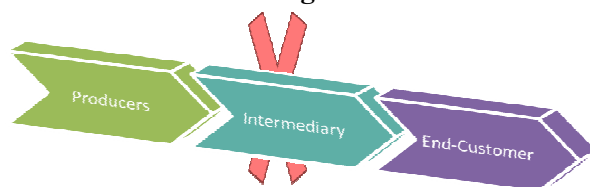


Figure 5. Rattan Products Distribution Shortcut

Mostly, the producers sell the product indirectly to the end-customer. They sell it to the intermediary (e.g. wholesalers) then the intermediary sell it to the end-customers. With this condition, the total profit margins will be mostly owned by the intermediaries. The price for the end-customer in international market can be five or six times higher from the actual price. Though it is already added with freight, landed costs, and management costs, it is much smaller that intermediary price to the end-customer.

By shortcutting the distribution, which opening representative of Indonesian producers in the targeted countries, the profit margin will be allocated more for the producers. Besides that, Indonesia also will have more bargaining position. This idea is difficult and expensive to be implemented, especially for the small medium enterprises. Thus, it can be done by synergizing all the stakeholders. The framework is shown in *Figure5.3*. The commercial intermediary is replaced by the national representative. The national representative covers producers, not only developed enterprises but also small-medium enterprises; suppliers, and banks.

The purpose of this replacement is to reallocate the high profit margin that owned by intermediaries to be something worthwhile for the local industry. The profit margins that approximately 5-6 times higher than FOB prices can be allocated for local industry to be used for:

1. Producers Development
2. Research and Development (in product and market)
3. Human Resources Development
4. Representatives Establishment

This representative can be formed by collaborating state-owned company (e.g. PT. Perusahaan Perdagangan Indonesia) with Ministry of Industry and Ministry of Trade to have trade in international market. PT. Perusahaan Perdagangan Indonesia (PT. PPI) or in other countries is known as ITC (Indonesia Trading Company) is a trading house state-owned company who has experienced in export, import, and distribution. It has three main bankers, which are Bank Mandiri, Bank Central Asia, and Bank Mega.

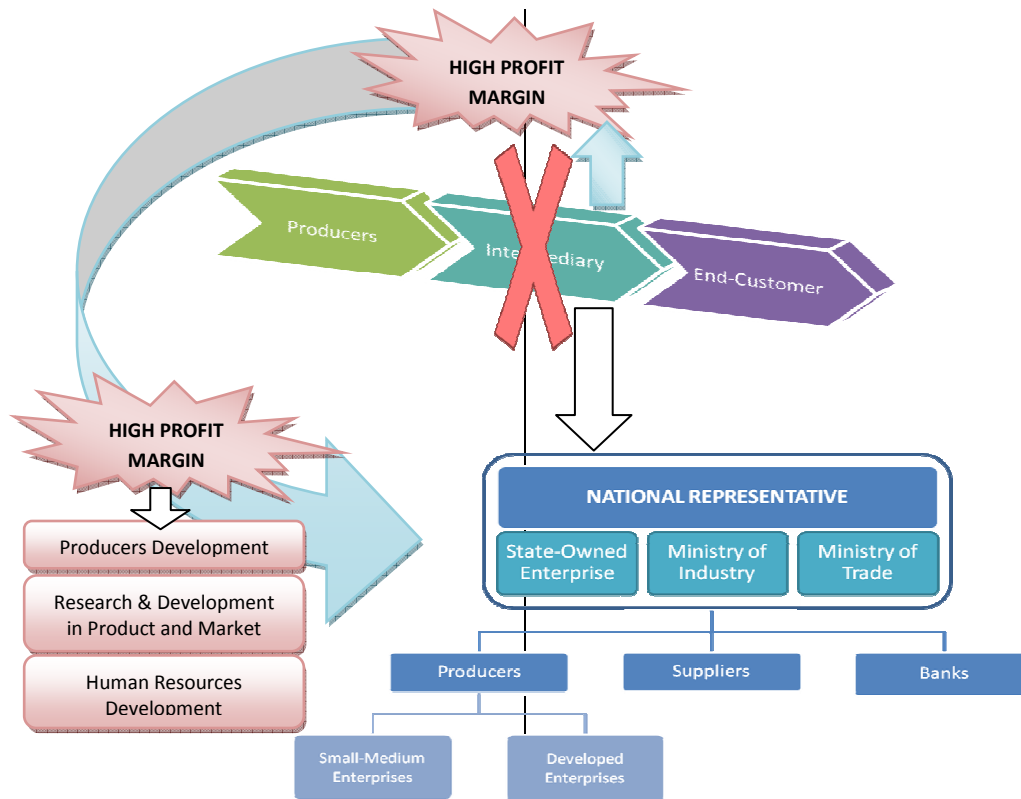


Figure 6. Establishment Plan of Rattan National

From this representative, the industry will gain many benefits from different sides:

a. *Producers*

By relocating the profit margin that owned by intermediaries to the local industry, it will grow the producers. The margins can be used for financing the development of producers by doing research and development for product and market, and human resources development to support this industry. Those developments not only grow the developed enterprises but also small-medium enterprises. To grow the small-medium enterprises, it will need supports from the developed enterprises to help the small-medium enterprise developing themselves to be more competitive.

b. *Suppliers*

If the producers grow, supplier will prefer to supply domestic than exporting raw rattan materials. The needs of national raw rattan material will be fulfilled and the suppliers will not be over-stocked of raw materials, rather than supporting the competitors

industry by exporting raw materials to them. Competitors will find difficulties in finding raw materials if the materials have been absorbed in domestic. Their production will be decreased which can increase the market share of Indonesia.

c. *Banks*

In financing the producers, the representative can cooperate with banks to give some credits for the small-medium enterprises. If the producers grow, bank will give credits to the producers. Though banks are tend to be difficult in giving credit because of the small scale of the producers, but in quantity, the amount of the producers is high. So, they are offered for many creditors from this industry.

Overall, that synergy will grow all the main stakeholders which can make the industry stronger and competitive nationally.

5.3 Build Research and Development Center

The rapid market should be adapted with the continuously design and product concept

exploration. The research and development center that can be implemented nationally or regionally may help the producers to explore more the products.

In furniture business, design has become something important. No new design, no business. Some important aspects in design that should be considered are:

a. Art

How the art touches in furniture can create beauty and attract the customers. The art of creating rattan products and how to combine the different processes of crafting (e.g. weaving) can be the uniqueness to attract the customers.

b. Taste

The art is important to be adjusted with the taste in every country or region. Every country has different tastes that can't be generalized one each other. By understanding the taste of each country or region, the product will be more acceptable for the customers.

c. Ergonomics

The ergonomics is one of the important aspects in creating rattan products. The products are comfortable to be used by the customers. It will create the customers' satisfaction. With its natural materials, it needs the perfect processes to make it ergonomic when used by customers.

d. Make Ability

The products that are already planned are makeable by the producers considering the raw materials, technique, and technology that are available. So, the design is not only desired and planned but also possible to be realized.

e. Stack Ability

When the products are exported to other countries, they are loaded in containers. With the transportation costs, the exported quantities have to be efficient. So, it is important to consider that the designs make the products are stackable in the container when it will be exported.

f. Raw Material Stocks

The raw material stocks have to support the design. In other words, a design is difficult to be implemented if the required materials are not available. By exploring the design

with the abundant supplies, it will utilize all the rattan supplies in order to be not overstocked.

g. Constructive Aspect

The quality of the product is very important. The customers' satisfaction and loyalty will come from this aspect. The construction of the product (e.g. for furniture) is need to be considered, whether it stands strong or not.

The research and development center is not only for the development in design but it can be also integrated to the production technique in order to have the efficient technology in producing rattan, such as for forming or finishing.

5.4 Open Local Market

There is a good opportunity for the local market. Remembering that Indonesia is also one of countries that become a tourist destination, this industry can get more serious in this market. This tourism sector provides many hotels, resorts, restaurant, etc, to be targeted by this industry.

Besides that, the government also has launched the program to use the local product. The program named "*Program Seratus Persen Cinta Indonesia*" is aimed to increase the competitiveness of Indonesian products with other countries'. This program persuades Indonesian people, who stay in Indonesia or abroad, to use Indonesian products. This program can support the growth of this industry in local market.

5.5 Set Trends to Stimulate Markets

Furniture can be attached by trend that can change periodically. For example, make the furniture become like fashion, which can change periodically in spring-summer and winter-fall with various design options. It can stimulate the market to consume furniture more frequently.

The continuous trends will be able to be implemented if this industry is supported by the continuous designs. When the design is rapidly changing, the market will be stimulated to consume it more and more because there will be something new about furniture that can be offered to customer in the next periods. For example is like cell phone. Now, people

consume more cell phone in their life because they are offered by the various designs and features of the cell phone.

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Telkom Speedy Brand Performance Assessment by Using Brand Building Model Approach: A Survey in Bandung

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Abstract

Purpose - The objective of this research was to analyze current Telkom Speedy Brand Performance by using Brand Building Model. The model consists of three dimensions, which are Positioning the Brand, Communicating the Brand Message, and Delivering the Brand Performance. This objective was done by comparing the factors influenced in reaching good performance of internet service brand performance according to internet users' perspectives and how customers perceived Telkom Speedy in performing those factors. In each of dimensions, Telkom Speedy Brand should make an excellent performance to achieve strong brand.

Design/Methodology/approach – A grounded theory approach is adopted, in-depth interview with Telkom Speedy parties, as the main object of this research were carried out, and 300 respondents were involved to fill the questionnaires.

Findings - The findings showed that Telkom Speedy performances in every element of three dimensions were relatively reach good position. Some of strengths factors of Telkom Speedy are in their performance in giving positive emotional benefit to the customers, providing attractive packages, and attaining customer satisfaction. Meanwhile, the weakness factors are in Telkom Speedy fair performance on attaining positive association of good stability of internet connection and low customer knowledge toward promotional program held by Telkom Speedy.

Research Limitations/ Implications - The research only focused in assessing Telkom Speedy Brand Performance from the perspectives of Telkom Speedy users in Bandung.

Originality/value – The results provide valuable insights into Telkom Speedy brand management in defining strengths and weakness factors of Speedy performance, and therefore Telkom Speedy may improve efficient branding strategy to increase their performance and thus maintain market share.

Keywords: brand building, brand performance, strong brand

1. Introduction Telkom Speedy

In this globalization era, where the information transaction is highly required by most daily activities, the need of internet has also become increasing significantly. It makes the business of internet provider become prosperous in many ways. One of the major players for internet provider in Indonesia is Telkom Speedy, which owned by PT Telekomunikasi Indonesia Tbk. (PT. Telkom), the market leader for telecommunication operators in Indonesia. Telkom Speedy launched in 2006, it offers high speed internet access (Broadband Internet Access) to the customers by minimum 384 kbps (downstream) data speed. Since the first launched in 2006, Telkom Speedy keep continuously increase their market share. In 2007, Speedy could attract six thousands customers, and by the end of May 2009, the numbers of customers is reaching up to thirty five thousands customers. Good image and performance of PT. Telkom seems play

important part in supporting Telkom Speedy to gain market trust and attention.

Speedy is a high-speed Internet service from PT.Telkom, with Asymmetric Digital Subscriber Line (ADSL) access technology that allows simultaneous data, voice, and video communication through copper wire telephone lines. This technology becomes one unique point of Speedy because it differentiates Speedy with the other internet service providers; Telkom Speedy is the only one internet provider that requires ready-to broadband-phone in customer's residential to be able to access the service of Speedy. In further implementation in providing internet service, Speedy provides some packages to fulfill various customers' needs and requirement.

Brands – Definition

As this research is focused on Internet Service Provider brand performance, it is better to understand about the definition about the brand itself. Brand can be defined as “a name,

term, sign, symbol, or design, or the combination of them which is intended the goods and services of sellers and to differentiate them from those of competitors". A Brand is thus a product or services that add dimensions that differentiate it in some way from other products or services designed to satisfy the same need (Kotler & Keller, 2006: 256). These individual brands components are here called "brand identities". The marketing program can contribute to consumers' understanding of the brand and how they value it. "Creating a successful brand entails blending all these various elements together in a unique way- the product or service has to be of high quality and appropriate to consumers needs, the brand name must be appealing and in tune with the consumer's perceptions of the products, the packaging, promotion, pricing, and all other elements must similarly meet the tests of appropriateness, appeal, and differentiation" (John Murphy, 1988).

There are also some definitions arisen from some marketers toward brand definitions:

- A brand is an identifiable entity that makes specific promises of value (Dave Dolak, 2003).
- Brand is beyond the physical entity. It is the creation of awareness, reputation, and prominence; on other intangible aspects in the market (Keller, 2003).
- A brand is the amalgam of the physical product and the notional images that go with the brand (Parameswaran, 2001).

In today's sophisticated marketing era, "brand" terms is no longer unfamiliar in customer mind. As many products and services provided by lot of firms have many points of parities, brand does matters to differentiate it from each others product. Brand is a name that influence and it have to attached saliency, differentiability, intensity, and trust. Product which has a powerful brand will be much easier to be marketed and accepted by the market. The insights of customers perspective toward brand then should be explore to measure brand performance which quite important to ensure firm's sustainability.

Strong Brand

Every expertise in marketing field has their own definition toward "strong brand". Though there are lots of interpretations of what the strong brand means, writer can see some commonalities of what should be achieved by strong brands. Some of the most important points are:

- *The key to a strong Brand over time is consistency with the Brand Identity (Aaker).*
The key step is to create a broad brand vision or identity that recognizes a brand as something greater than a set of attributes that can be imitated or surpassed. In particular, Aaker suggests that a company consider its brand not just as a product or service, but as an organization, a person and a symbol.
- A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely (Chernatony and McDonald, 1998).
- Strong brands are more likely to shape and substance. They evoke a more extensive, richer set of associations. Visual images and words or phrases linked with strong brands are likely to be more easily retrieved from memory (Leavit, 1987).

Brand Performance

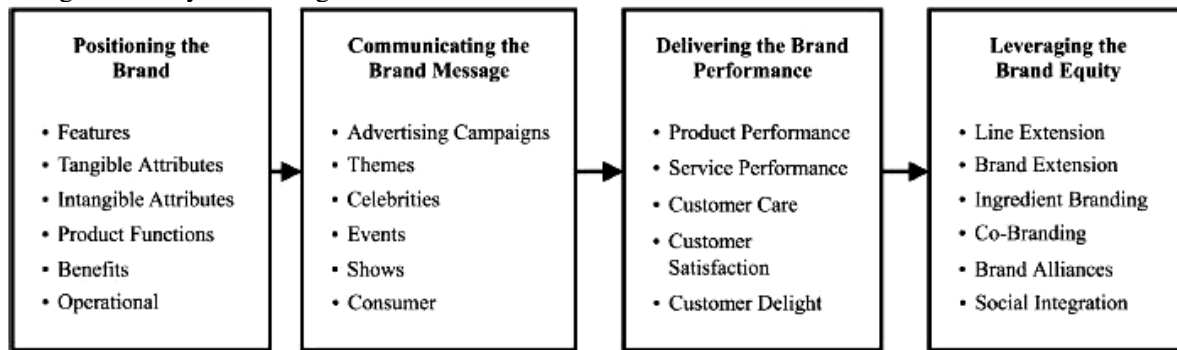
Brand performance is defined as the relative measurement of the brand's success in the marketplace (Aron O'Cass, Liem Viet Ngo, 2006). It can be seen as how the brand achieving the organization's established objectives for it in the marketplace. As brand play a role by creating competitive advantages with product performance and through non-product related, it also provide a number of benefits to an organization such a stronger cash flow and earnings (Berry, 1988; Yovovich, 1988). In this research, some factors from Brand Building Model were used to assess the brand performance of Telkom Speedy.

Brand Performance in Internet Service Provider Industry

Researcher adopt PCDL Brand Building model as developed by Bhimrao M. Ghodeswar,

2008, in his journal entitled *Building Brand Identity in Competitive Markets: a conceptual model*.

The model suggest that consistency of integrated communications and message along the brand identity dimensions targeted towards customer is critical to the success of brand-building efforts by delivering a consistent, self-



The figure above proposed brand building model that leads the brand to reach strong brand level and therefore be able to leverage the brand. As this research focus in assessing the brand strength performance, it will adapt this brand building model as the guidance. The assessment will include three dimensions of PCDL model which are Positioning the Brand, Communicating the Brand Message, and Delivering the Brand Performance. These dimensions also have some parity as what Rita Clifton and John Simmons (2003) suggested in three distinctive traits owned by leading brand. They are distinctive positioning, superior products, and consistency of delivering their performances.

Leveraging the Brand Equity was not included in this research because it involves company's strategy after reaching the strong brand performance level.

Positioning the Brand

The position of a brand is the perception it brings about in the mind of a target consumer. This perception reflects the essence of the brand in terms of its functional and non-functional benefits in the judgment of the consumers. It is relative to the perception, held by that consumer, of competing brands, all of which can be represented as points or positions in his or her perceptual space and together, make up a product class (Surrachman S.A, 2008:213).

reinforcing brand image. Therefore there is PCDL model developed by for building a strong brand in a sequential order, namely, Positioning the Brand, Communicating the brand message, Delivering the brand performance, and Leveraging the brand equity. As we can see below:

The strongest brands go beyond attribute or benefit positioning. They are strong beliefs and values (Kotler, 2007). Positioning is related with creating the perception of a brand in the customer's mind, and this perception should be able to differentiate from competitor's brands. A well positioned brand can be supported by strong associations such as high rating on desirable attributes (Aaker, 1996).

In the PCDL model, *Positioning the Brand* consists of 6 factors, which are Features, Tangible Attributes, Intangible Attributes, Product Functions, Benefits and Operational. Since this research is focusing on Telkom Speedy Brand which is generally known as Service Provider, researcher decide three factors that are the most appropriate to be included in Positioning the Brand Dimension of Telkom Speedy, they are:

- a. *Features: Level of features quality provides by Telkom Speedy Brand.*
- b. *Benefits: Associations about emotional benefit that customers feel about Telkom Speedy Brand. This benefit includes intangibles benefits which means the emotional associations, beliefs, values, and feeling that related to the brand (Temporal, 2000).*

Communicating the Brand Message

Communicating the brand message is related with how the brand able to communicate the

brand position existed. It is very important to develop suitable communication strategy to ensure the brand message is clearly delivered and appealing for the customers. Communicating the brand message also strongly related with the brand image that companies are going to build. The most important thing here in communicating the brand message is the consistency of brand identity dimensions. Better advertising is born out of a total understanding of all the variables impacting the brand (Parameswaran, 2001). Therefore, all variables involve in advertising should be well planed to attain success of brand communication. Broadly there are two types of measurable of brand communications; they are effects on sales and consumer response. This research only focus on consumer response toward brand communication.

There are 2 factors measured in *Communicating the Brand Message* Dimension of Telkom Speedy, they are:

- a. *Advertising Campaigns: Level of the quality of themes, Celebrities, and Events held by Telkom Speedy.*
- b. *Consumer Knowledge: Level of customer knowledge toward Telkom Speedy's products and promotions.*

Delivering the Brand Performance

Delivering the brand performance is related with the consistency of the performance of the brand to deliver what they have already offers. This is the most important part of brand building since in delivering the brand performance, company will directly involve with customers, or at least this stage will be the closest distance between company and customers. The companies need to set "operational standard" in all areas affecting day-to-day brand-related activities which can be applied to behaviors, management practices, service provision, customer relationship management, performance achievement, and so on (Klaus and Ludlow, 2002). Delivering high-quality services that aligned with a compelling vision and genuine commitment to customer satisfaction are very important to compete in this service industry.

After some literature review, researcher believes that there are three factors on

Delivering the Brand Performance Dimensions that are appropriate for this research, they are:

- a. *Service Performance: Level of service performance delivered by Telkom Speedy.*
- b. *Customer Care: Level of Telkom Speedy's readiness to solve customer's complaints.*
- c. *Customer Satisfaction: Level of overall Telkom Speedy's brand performance to satisfy the customers.*

2. Methodology

Sample and Data Collection

This research involved exploratory and descriptive research. Exploratory research was done by having literature study and doing in-depth interview with Telkom Speedy parties. From Telkom Speedy parties, researcher gets the perspectives from them about their brand strategy within brand building model. Descriptive research was done by developing questionnaire to assess Telkom Speedy performance in various factors inside brand building model.

Because the result of Telkom Speedy brand performance assessment will be non-comparative, the target populations of this research was involved the customers of Telkom Speedy. Meanwhile, a half number of questionnaires distributed were also involving non-Speedy users to get the general perception toward factors influenced brand performance. In this research, writer used Simple Random Sampling. In Simple Random Sampling, each element in the population has a known and equal probability of selection (Malhotra, Peterson, 2006; 335).

Population of this research is the customer of Speedy Home User in Bandung. Total numbers of Speedy Home User in Bandung by May 2009 is 35.000. This research uses 7% of error. Therefore, refers to the Slovin's formula, the number of population required in this research is 200 samples. Besides 200 respondents from Telkom Speedy users, this research also involving 100 respondents from non-Speedy users. This data from 100 respondents of non-Speedy users will be combined with 100 data from Speedy users to get the analysis of ideal performance of internet service provider in general. It is then compared with the analysis of Telkom Speedy

performance assessment resulted only from 200 Telkom Speedy users. Questionnaires distributed through some colleges (ITB, UPI, and STT Telkom) and Telkom office, where most people are using internet for their daily activities.

Measures

The variable measurements were use in the questionnaires is Semantic Differential Scale. It is a seven-point rating scale on which the end points adjectives representing opposites. Semantic differential scale is commonly used for rating a brand, which means it will be appropriate for this research. Other part of questionnaire were used Likert-scale to measure the degree of agreement to every factor in brand performance.

3. Results

Positioning the Brand Telkom Speedy

In order to get the perspective from PT. Telkom Tbk, writer conducted an exploratory research by open-ended questions and discussion with Marketing Management of Telkom Speedy.

From the Brand Architecture created by Telkom, Telkom Speedy is classified in “one brand product range”, which means Speedy brand name will be used in every service and product created by Telkom Speedy. For example, Speedy keep using Speedy brand name for its wi-fi service as well as its internet cable service. Meanwhile, as the Brand Positioning of Speedy is “*Providing broadband internet access service in high speed and high stability connection to support customers’ needs*”, Telkom Speedy are focusing in attaining good association toward high speed internet access with a good stability of connection.

Telkom Speedy always try to understand the market needs. It proved by some modifications on segmenting Speedy’s target market and develops some appropriate marketing promo to attract and fulfill customer’s needs. The segmentations made by classifying market according to several aspects, and some of important aspects that mostly concerned by Speedy are *Social Economic Scale (SES)*, *Life Style*, and *Benefit*. From *SES*, Speedy main target are people with Class A, B, and C of social economy class, which means Speedy is thus focus to attract people with medium to high

social economy class. From Life Style, Telkom Speedy divide their market segment into some groups according to the life style of customer, such as technology-seeker and non-technology user. Meanwhile for benefit, Telkom Speedy segmenting their market according to benefits expected by the customers of using Speedy, such as entertainment, education, games, and also business-focus. After creating segmenting, targeting, and positioning strategy, Telkom Speedy then created variances of internet package to fulfill their customers’ requirements.

From the *Brand* perspective itself, Telkom believe that they already had a strong and well-performed brand in the market. It is proved by the fact that Telkom Speedy is remained the market leader for internet service provider in Indonesia, by holding 85% of Indonesia ISP market share (Mr. Syafrawi, private interview, 28/06/2009).

Somehow, the ADSL technology used by Speedy which become the strength of Speedy to deliver high speed access of internet is also become the weakness of Telkom Speedy at the same time. Because ADSL technology will requires users to have line-phone in their place. The presence of mobile internet technology could threaten Telkom Speedy market share. For the comparison, Telkom Speedy market share position in mobile internet access is 43%, followed by Telkomsel Flash which holds 17%, and then Indosat with 7.7% market share. Meanwhile, in category cable internet access, Speedy holds 76% market share, which followed by Fastnet with 12% market share. In the other side, PT. Telkom Tbk. are expecting the presence of Speedy to help them sustain the growth of fix phone-line which its now being threaten by mobile phones.

Speedy focused on positioning themselves as the high-speed internet access provider, by maintaining quality and improving high stability internet connection. Compared with Telkomnet Instan, the first internet provider in Indonesia, it only provide internet access with 53 kbps data speed, Speedy is somehow became the refreshment in internet provider industry which it provide minimum speed of 384 kbps (downstream). The main challenge for Speedy now is to keep maintains market trust about the quality of Speedy internet connection.

Communicating “*Speed that You Can Trust*”

As one of the new entrance of Internet Service Provider in Indonesia, Telkom Speedy still focus in building awareness and attain desirable positioning in customers minds. In Brand Communication Strategy, Telkom Speedy has done Integrated Marketing Communication (IMC) by creating *Above The Line* strategy and *Below The Line* Strategy.

Above The Line strategy was done by creating Television Commercial Advertising, press conference, and putting print-ads in newspapers. All of them are have the same mission which is to create awareness and to expose Telkom Speedy position as trustworthy high speed internet access.

Telkom Speedy also continuously created promotional event and made collaboration with several parties and institutions as their Below The Line strategy to building awareness and to attract the customers. For example, Telkom Speedy makes joint promo with Kentucky Fried Chicken (KFC) to grab the youth market. The joint promo is by covering provision of access of Hotspot Speedy at 116 outlets of KFC. Speedy and KFC are also organizing Off Air events together. To provide free hot-spot Speedy internet in certain place is one of Telkom Speedy gimmicks strategy to grab the market.

Furthermore, in its brand strategy, Telkom Speedy smart enough by differencing the areas according to the presence of competitors. We know that Telkom Speedy is one of ISP that its coverage is reaching almost all areas in Indonesia (since its using basic infrastructure from Telkom). So, in certain areas, where Speedy do not have competitors, Speedy do direct penetration. Speedy create awareness and doing promotional event to gain market. Speedy also set the standard price (tend to high price) because Speedy could positioned themselves as the only ISP in that areas. In contrary, for the area where Telkom Speedy have lots of competitors, such as Bandung, Jakarta, and other big cities, Speedy focus on direct selling and setting competitive price (attaining special price and discount) and sometimes provide gimmicks to attract customers.

In fact, Telkom Speedy rather to focus on Below The Line strategy because they believe that direct approach to customers is the most

effective way to gain market awareness and trust. TVC is only used as a tool to build broader awareness of Speedy and creating association of *Speed that you can trust* in market minds.

Speedy create *bundling modem and content*. By providing various bundling modem and content, customer may choose the most suitable package according to their needs. For example, Speedy launch *Speedy Cermat* bundling modem which targeted for students. This package is free from activation-charge and including subscription charge-discount up to 28%. It is also provide free internet charge starts from 8 p.m until 5 a.m with 15 hours time quota per month.

Telkom Speedy did create some promotional program and campaign in Speedy coverage area (more than 61 cities in Indonesia). One of promotional program done by Telkom Speedy to attract rural market and urban schools is education campaign which is “Internet Goes to School” (www.mix.co.id). Together with the government institution, Speedy provide internet education and promotional internet access to the rural area.

Speedy focused on *Below The Line* is become their main strategy to build awareness, attract market and sustain customers loyalty. Direct approach toward people in community seems more effective for Speedy in communicating their brand message.

Telkom Speedy in Delivering the Brand Performance

As the internet service provider, Telkom Speedy believe that providing good internet connection and good customer service to satisfy the customers are the keys to reach good brand performance and thus increase their brand’s strength. Telkom Speedy creating standard performance based on three basic points, which are competitors analysis, internal capabilities, and market needs and wants analysis. (Mr.Purba, private interview, 28/06/2009).

The main function of service delivered by Telkom Speedy is actually after-sales-service, because the installation service processed only conducted once, when customer first install Telkom Speedy. In giving After Sales Service, Speedy divide the service into three types of services which are switching package, complaint

handling (product and service terms, and billing complaint), and quitting from Telkom Speedy subscription. This three difference kind of services is created to enhance customer service delivering.

Speedy provide three interfaces in delivering the service, which are direct customers service care on Plasa Telkom, call centre 147, and online service through Speedy website. To ease customers accessibility to reach Telkom Speedy customer care service, Plasa Telkom is putted in some strategic areas. And for the customer who wants to raise complaint or asking some questions related with Telkom Speedy but did not have much time to directly come to Plasa Telkom, Speedy always ready with 147-call centre. Customers may complaint about the line-error and asking about modem setting through the call. There will be customers' service care staff who will guide the customers to fix the wrong setting internet connection and answering customers' question. Furthermore, Telkom Speedy also develop website to distribute the information about Speedy program, promotional activities, and also to access customers account.

One of the imperative strategies done by Telkom Speedy to provide satisfying service for the customer is by providing guarantee for every service delivered. For example, customer who wants to change the internet package, Telkom Speedy guarantee that the new package will be started within 24 hours after the customers raise the issue, otherwise customer would be given special discount in billing payment in that month. Terms and conditions arranged to enhance Telkom Speedy service performance. Telkom Speedy also conduct *Performance Review* every month to measure customers service care staff skills. One of the measurements is time in giving complaint-handling service. As the ISP with slogan *high speed internet access*, Speedy try to also consistent with their slogan to provide fast service to customers.

There are actually three main areas where Speedy did maintain to attain customers satisfaction, they are *Moment of truth*, *Product Quality*, and *Price belief*. Moment of Truth is the direct interaction between customers and Telkom Speedy customer care staff. In this part, customer care staff should made a professional,

skillful, and hospitality service to impress the customers. Speedy also improved product quality and try to always develop innovation for their product. Telkom Speedy main product is the ADSL cable itself. Speedy try to enhance the function of the product. For example, now Speedy try to develop APTV, which is Television connection through ADSL. Meanwhile, in setting up the price, Speedy believe they already set the appropriate price. Speedy try to gain market trust so market could perceived that the price is worth with the product and service provided by Speedy.

To enhance customers' services staff professionalism, Speedy trained the staff with *Telkom Culture, Service ethic and attitude, Communication Skills, Product Knowledge, and Tools Operational Skill*. Training and vacation is held yearly to refresh customer service care staff so they could always make a better performance for the customers.

Decision Criteria in Choosing Internet Service Provider

Before analyzing the performance of Telkom Speedy brand Performance, it is better to firstly understand general people perception toward factors attained for internet service provider brand.

Features

The feature of service provided such as various internet packages is one of factors that should be considered by the internet service provider. The internet package should be well-arranged and proportional in terms of price, speed, and other quotas so the customers will be interest in choosing the most suitable internet package according to their needs.

Positive Association

Both in choosing and using the internet service from one ISP, internet users required the positive association of the ISP they select. High stability internet connection belief is also should be attained to gain customers trust and also creates positive image in customers minds.

Emotional Benefits

Reliable internet connection is highly required by the internet user. The basic function of internet is to support people daily activities for works, education, entertainment, and game. Most people are relying their activities on

internet connection. And thus, they require trustworthy internet connection.

Advertising Campaign

From the results of questionnaire, it seems that advertising is not very significant in giving influence for internet users to assess internet service providers. Advertising theme, celebrity endorser, and promotional event are not considered as important tools for internet users in selecting the ISP.

Consumer Knowledge

Despite the fact that advertising seems not very significant in influencing and attract customers, somehow, the internet users required clear information toward program and promotional event attained by ISP. For example, the clear information about various package provided and also other promotional program such as discount.

Service Performance

Customers is always seeking the good service for them. By that, ISP should attained standard performance (profesionalism, attitude, and skill) to fulfill customers desired toward service delivered to them.

Customer Service Care

Customer service care is the media for customer to raise complaint and it directly create impression in their mind. From the findings of questionnaires that distributed to 200

respondents, we can conclude that customer care service required by internet users to be provided by internet providers. Moreover, the presence of website should be helpful for customer. It is to ease customer gathering valuable information of ISP programs.

Customer Satisfaction

It is very important for service company to attain and maintain customer satisfaction. Customer satisfaction could be attained by delivering satisfying and desirable service as what customers wants. Overall performance of product and service then will influence how customers perceived the image of ISP.

Customer Perception toward Telkom Speedy Brand Performance

After creating strategy in Brand Building, Speedy need to understand deeply of how their customers perceived toward some efforts that Telkom Speedy has done in attaining favorable performance in *Positioning the Brand, Communicating the Brand Message and Delivering the Brand Performance*. The assessment from customers' point of view expectedly will provide guidance for Speedy in understanding the factors that Speedy need to improve to be viewed as *strong brand* for Internet Service Provider.

Table 1. Attributes Measured in Assessing Telkom Speedy Brand Performance (N = 200)

No.	Factors	Attributes	Mean Score	Performance Level
1	Features	Variance of Packages	4.935	Excellent
2		Internet Packages Prices	4.46	Medium
3		Belief that service deserve the price	4.55	Medium
4	Positive Association	Stability of internet connection	4.375	Medium
5		Technology Sophistication	4.535	Medium
6	Emotional Benefits	Internet connection to support daily activities	5.44	Excellent
7		Reliable internet connection	4.875	Excellent
8	Advertising campaign	Attractive campaign theme	4.715	Excellent
9		Celebrity endorser of Speedy	4.35	Medium
10		Promotional events	4.515	Medium
11	Consumer knowledge	Clear information toward internet packages provided by Speedy	4.815	Excellent
12		Clear information toward promotional program	4.305	Medium
13	Service Performance	Professional internet installation	4.54	Medium
14		Accessibility of billing-payment	5.07	Excellent
15		Speedy website	4.66	Excellent
16	Customer service care	Professional customer service care	4.875	Excellent
17		Customer service care attention in complaint-handling	4.425	Medium
18	Customer satisfaction	Satisfying complaint-handling	4.67	Excellent
19		Satisfying internet connection	4.825	Excellent
20		Satisfying performance of PT. Telkom Tbk	5.06	Excellent

Findings from Item No.1 until Item No.7

From the results of questionnaires, there are some conclusions from factors in *Positioning the Brand*. Firstly, as the internet service provider, the feature of service provided such as various internet packages is one of factors that should be considered by the company. The internet package should be well-arranged and proportional in terms of price, speed, and other quotas so the customers will be interest in choosing the most suitable internet package according to their needs. In this element, Telkom Speedy had made a good performance by providing various attractive packages and setting reasonable-economical price. Meanwhile, Telkom Speedy performance in Positioning Telkom Speedy as internet service provider that delivers high speed internet access still not reach an excellent level due to the lack stability internet connection that only reach medium score. It is because the limitation technology used by Telkom Speedy. Somehow, Speedy had performed well in creating positive emotional benefits in customer's minds.

Overall, Telkom Speedy performance in Brand Positioning is on good performance, but Speedy need to improve in certain factors such as technology and reliability of internet connection so that Speedy could perform better to prove their slogan which is *high speed internet access*.

Findings from Item No.8 until Item No.12

Overall Telkom Speedy's performance in Communicating the Brand Message is relatively good. It indicates by some factors which are on excellent level, especially in attaining attractive advertising and campaign theme and providing clear information guideline of Telkom Speedy features offered to customers. Telkom Speedy's effort to communicate the brand message through advertising and promotional program should be well organized to keep increase customer's knowledge toward it, especially for certain factors which considered very important for internet users such as *clear information of promotional event*.

Current performance also indicates that Speedy is not focus on aggressive television commercial advertising, but rather to focus on direct approach to customers to give information

toward features and promotional program offered by Speedy. Other promotional events are only held without any significant influence to increase customer's attention and awareness to Speedy brand.

Findings from Item No.13 until Item No.20

Service Performance is the most important part which must be well-performed by internet service providers. From the findings of questionnaires that distributed to 200 respondents, we can conclude that internet service performance, customer care service, and satisfying performance are required by internet users to be provided by internet providers. In this dimensions, Telkom Speedy has achieved quite satisfying score which proved Speedy as one of the best internet service provider. Some strong factors of Telkom Speedy in this dimensions are easy access of billing-payment, attentive complaint-handling service, satisfying internet connection network, and good performance of PT. Telkom Tbk.

One of factor need to be concerned now by Speedy in this part is to increase the professionalism and attitude of customer service care, because customer service care are the key in building customers impression and thus influence the satisfaction for them in accepting the service provided.

Strengths and Weaknesses of Telkom Speedy Brand Performance

In Positioning the Brand, Telkom Speedy had achieved successful performance in creating positive emotional benefits in customers' minds. Somehow, Speedy still weak in attaining positive association of stability of internet connection in most of customers mind. Therefore Telkom Speedy should improve their performance in that part to achieve success in the brand positioning and also to strengthen their position as one of internet provider which obtains high quality of internet connection.

In Communicating the Brand Message, Telkom Speedy had performed well especially in attaining attractive campaign theme which is "Speed that you can trust". Moreover, Speedy also had made an excellent performance in providing clear information about internet package to customers. Other factors in

communicating the brand message, Speedy had performed well by selecting their brand endorser, but it's not the factor that will greatly create impact to increase Speedy performance in this dimensions. In fact, Telkom Speedy needs to improve their indirect marketing strategy to keep attract the market. Other factors such as creating attractive promotional event which become the weak factor in Telkom Speedy brand performance should be improved to communicate the brand message to the customers.

In Delivering the Brand Performance, Telkom Speedy had made excellent performance especially in attaining customers' satisfaction in complaint-handling service, good internet network connection, and company performance. Speedy performance also very well in giving easy access for billing payment and delivering professional customers' service. Somehow, Telkom Speedy performance on providing customer service care with attention still need to be improved, because the internet users are required good customer care service attention.

4. Conclusions and Recommendations

In conclusion, to become a strong brand, there are several dimensions which must be well performed by the brand. Accordingly to literature review, the dimensions in Brand Building Models are *Positioning the Brand*, *Communicating the Brand Message*, and *Delivering the Brand Performance*, whereas each of them is needed to be outperformed appropriately. In this research, we can conclude that there are some factors needed to be considered by Telkom Speedy to improve their brand performance in the market. From Dimension "Positioning the Brand", the factors that mostly required by the customers is positive emotional benefit which had already performed well by Telkom Speedy. In this dimension, Speedy need to strengthen the positive association in customers mind. Secondly, from Dimension "Communicating the Brand Message", Speedy mostly need to concern toward promotional event and program and give the customers enough information toward it, because to increase customer knowledge and awareness is goals of this dimension. Speedy's performance in this dimension is relatively good.

Meanwhile, the Speedy brand performance on "Delivering the Brand Performance" dimension is relatively achieve excellent performance, especially in attaining customer satisfaction for complaint-handling service, internet connectivity quality, and overall performance of the company, PT. Telkom Tbk.

From the research findings, Telkom Speedy only had achieved an excellent performance in half factors of internet service providers. Thus, Speedy performance in some element of brand building dimensions was still required to be improved. Firstly, by increasing the performance in positioning dimensions, Speedy should have to be more critical in setting and wrapping up the features. Secondly, as the internet service provider, Speedy should attain favorable positive association of using Telkom Speedy. Speedy could also strengthen their positioning as internet service provider that delivers high access of internet.

Meanwhile, for the dimensions of communicating the brand message, Speedy should arrange better appropriate brand communication strategy and keep increase customers awareness toward promotional program and event. To achieve desired goals of their communication, companies need to break the clutter by evolving innovative ways to attract the attention of the target audience (Bhimrao M. Ghodeswar, 2008). The last one is Speedy should keep increase their brand performance service delivering through better performance on service quality to increase customer satisfaction. As the service company, where Speedy interact directly with customer, the impression of professional customer service quality is very important to increase the image quality of Telkom Speedy Brand. It can be done by improving skills and attitudes of customer-service-care's staff in handling service to the customers.

Further Research

Further research may conduct to provide deeper understanding about Telkom Speedy performance compared with its main competitors. By that, hopefully Telkom Speedy able to identify its strength and weak factors compared with their competitor, and thus create

appropriate strategy to keep enhance the competitors.

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A Study of New Prescribed Medical Product Acceptance Case of Bandung and Surabaya, Indonesia

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Abstract

Indonesians often feel unease with new developed products specifically prescribed Indonesian medical products. Not only the public in general is uneasy, but also the acceptability from the medical profession of these products is somewhat have differing opinions. The creation of new prescribed medical product consist of complicated and demanding procedures of opportunity identification and evaluation; concept generation; concept evaluation; and development stage that include technical task and marketing task; and the product launching (Crawford, et al., 2005). Medical manufacturer have to be in confidence that a new medical product is not only ready to use but profitable as well. Prescribed medical product usage is always driven by medical doctors. Thus, the successful rate of a new prescribed medical product is greatly influence by these medical doctors. In this research we used field survey to collect primary data by means of focus group discussions, questionnaires, and in-depth interviews. Our respondents consist of 178 medical doctors from Bandung and Surabaya region. Our survey is aimed at identifying perception of new prescribed medical products from medical doctor's point of view. The research shows that most of medical doctors have perceptions that this new prescribed medical product is need to be socialized to patients at the same time to the medical doctors, needed for preventive, easy to use and effective. Conclusions and recommendations are then provided in the end of the paper to increase successful rate of a launching new prescribed medical products.

Keywords: new prescribed medical products, acceptance rate driver, medical doctors

1. Introduction

In today globalization era, indicated with high flow of information and high speed communications, consumers are more demanding and are normally aware of all options available in the market. Further, they are forcing manufacturers to address the shortcoming of products. Thus, the risk is getting greater for the manufacturers, because the cost involved in the process is very high. All of this calls for efficient management of new product introduction. The real challenge for new product manufacturers is to establish empathy with the customer. Manufacturers need to get out of a seller's mindset and tuned into user's and/or customers' mindset to find a way to discover the customer's actual needs.

Customers—especially here in Indonesia—often feel unease with new developed products, specifically prescribed Indonesian medical products. Not only the public in general is uneasy, but also the acceptability from the medical profession of these products is somewhat have differing opinions. The creation of new prescribed medical product follows complicated and demanding procedures of opportunity identification and evaluation; concept generation; concept evaluation; and development stage that include technical task

and marketing task; and the product launching (Crawford, et al., 2005). Medical manufacturer have to be confidence that a new medical product is not only ready to use but profitable as well. Prescribed medical product usage is always driven by medical doctors. Thus, the successful rate of a new prescribed medical product is greatly influence by these medical doctors.

2. Literature Review

In pharmaceutical industry and business, the marketing provisions required are more rigid. Provisions are considered more significance than the sales target. The pharmaceutical marketing activity should be done to the right product, in the right quantity, at the correct place and the right price as well as the correct time. (Smith, Mickey C., E.M. "Mick" Kolasa et al 2002)

In the manner of consumer-oriented company paradigm, the business will continue to grow and sustainable because of the value foundation and customer satisfaction (Sampurno, 2009)

According to economic theory of demand, a commodity is determined by numerous factors: consumer preferences, purchasing power and price. Consumer demand can arise when there is a consumer desire to buy and

ability to pay. The main determinant of demand for ethical drugs is a physician. The physicians determined which drugs are used by the patient, the number of doses and used for how long. In this case, the doctor actually act as "agent of patient" because the patient fully entrusted the physician on medicines to be bought and used. (Sampurno, 2009).

There are several elements that cause a

doctors perceptions of this new prescribed medical product that can be used by manufacturer to improve their product as well as marketing activity. Figure 1 shows that there are differences in the number of mean of respondents in two cities. In order to acquaint a deeper understanding about the significance of differences for each variable the T-Test was later performed.

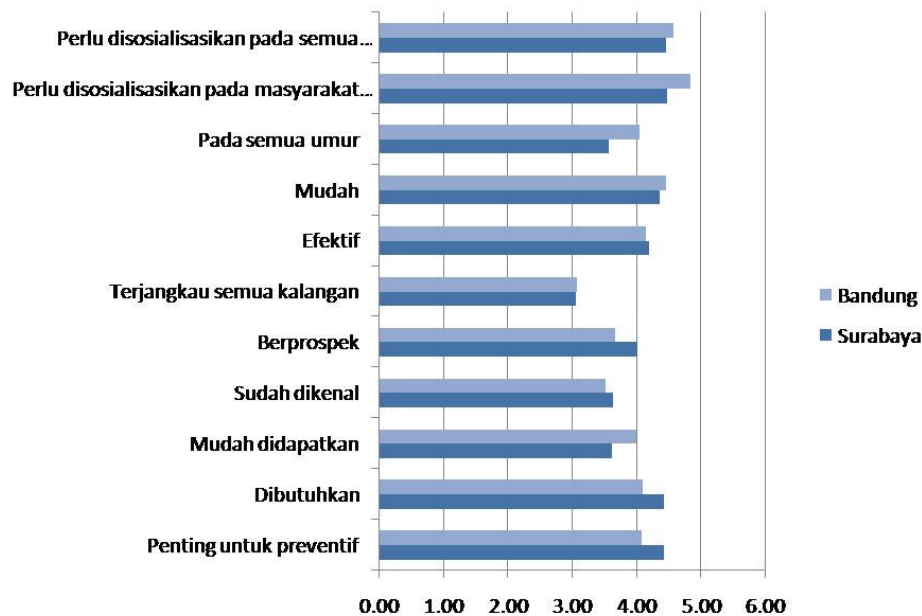


Figure 1. Medical Doctors Perception of New Prescribed Medical Product (Mean)

gap between consumer's desire and products offered by other companies, including: inadequate bilateral communication, the absence of regular interactions between management and the consumer, lack of accountability and lack of consumer services marketing program of research to understand consumer. (Killoran, 2001).

In order to understands how winning new products overcome obstacles with successful market launch, scholar need to explore the value chain process of product definition, design, differentiation, manufacture, and marketing (Styles, 2000). These paper tries to understand new prescribed medical product from the view point of medical practitioners as the main endorser of successful medical product acceptance by the market.

3. Data Analysis and Results

Our research respondents were 89 practice physicians in the cities of Surabaya and Bandung. Our survey findings show medical

There are slight differences between our respondents in Bandung with their colleagues in Surabaya. According to research findings in Table 1, physicians in Bandung have some perceptions that this new prescribed medical product is need to be socialized to patients, needed for preventive and easy to use.

On the other hand, physicians in Surabaya have some perceptions that this new prescribed medical product is need to be socialized to patients as well as to medical doctors, easy to use, effective and needed for preventive.

Table 1 shows the T-Test result conducted. The data conclude that variables namely "important for preventive", "needed", "easy to be found", "already known", "effective", "for all ages" are not significantly different between Surabaya and Bandung Respondent. Whereas variables namely "prospective", "affordable", "easy to use" and "need to be socialized to general patients" are significantly different between Surabaya and Bandung respondents.

Table 1. T-Test on Surabaya and Bandung Respondent Perception

No.	Variable	Sub-Variable	Mean		Coefficient Determinant	Test Result
			Surabaya	Bandung		
1	Keberadaan vaksin influenza	Penting untuk preventif	4.44	4.08988764	0.10647	Not Significant
2		Dibutuhkan	4.44	4.101123596	0.92697	Not Significant
3		Mudah didapatkan	3.63	4	0.92558	Not Significant
4		Sudah dikenal	3.65	3.528089888	0.06450	Not Significant
5		Berprospek	4.02	3.674157303	0.00073 ***	Significant
6		Terjangkau semua kalangan	3.06	3.078651685	8.5911E-10 ***	Significant
7	Penggunaan vaksin influenza	Efektif	4.21	4.157303371	0.74744	Not Significant
8		Mudah	4.37	4.471910112	0.03295862091 **	Significant
9		Pada semua umur	3.57	4.056179775	0.51349	Not Significant
10		Perlu disosialisasikan pada masyarakat luas	4.48	4.842696629	0.00081 ***	Significant
11		Perlu disosialisasikan pada semua dokter	4.471910112	4.584269663	0.36882	Not Significant

The number of the stars (*) indicates the level of significance of the variable result. The significant level of “easy to use” are all 1% level (two stars). But for the “prospective”, “affordable” and “need to be socialized to general patients”, the significant level is 0,1% (three stars). Thus, T-Test result indicates that three variable “are indeed highly significantly different between Surabaya and Bandung respondents.

4. Discussion

The result of this study are used to determine the importance of a number of variables that our research provided in order to improve the marketing activity and the product itself at the future, moreover to convince the manufacturer especially for the product produced and its acceptance to the medical doctors . The top 4 perception variables which physicians in Bandung and Surabaya are concern in a new prescribed medical product are “the product need to be socialized to patients at the same time to the medical doctors”, “needed for preventive”, “easy to use” and “effective”

4.1 The Product Need to Be Socialized to Patients

There are some rules controlled by worldwide health organization mentioning the limitation of prescribed medical product marketing activity. It is said that the marketing activity of prescribed medical product can’t be advertised by mass media that might be obtained by general patients. Some reasons underlying the rules are the opportunity of some drugs abusing by irresponsible person. Yet, for this case, most of medical doctors have perception that the patient initiatives are

needed in order to increase the number of healthy people using this medical product as preventive agent. From the sentence before, we can conclude that there are some shifting in medical process between medical doctors and patient, where the patient initiatives are now become some predictor factors in the medical product usage decision.

4.2 The Product Need to be Socialized to Medical Doctors

Some medical doctors have perception that this new prescribed medical product is not yet socialized to the medical doctors profession association. This should be the manufacturer consideration to increase their product knowledge sharing and marketing activity. Since the main consumer is the medical doctors, the manufacturer should find some ways to build the relationship between medical doctors and manufacturer regarding to the product knowledge sharing.

4.3 The Product Needed for Preventive

Whereas this new prescribe medical product is not used as curing agent, some medical doctors think that this product is needed and important as preventive agent. Due to the climate changing and some new viruses issue, the preventive agent that already used by patient are no longer effective. This is the big opportunity for the manufacturer to expand their product distribution and marketing activity. Moreover, it can increase the confidence level of the manufacturer for the new prescribed medical product launched.

4.4 The Product Is Easy to Use

After the medical doctors view the product, they think these products are easy to

use. This is the good news for the manufacturer as the result of good manufacturer's research and development at their medical product packaging and form. To concern at the medical doctors needs and wants toward the product are the main R&D importance. In the future, the manufacturers always need to address some product testing to the medical doctors before launching the product.

4.5 The product is Effective

The main strength for medical product is their effectiveness of their indication. This is why the clinical test is become compulsory for the manufacturer that intend to produce some medical product. After reading the clinical test result or the new prescribed medical product, some medical doctors think that this product are effective to their function as preventive agent.

5. Recommendation

Ensuring the success of a new products is very hard, more so for a new prescribed medical product. Our study finds four factors that highly influenced the usage of new prescribed medical products from the view point of medical practitioners as the main endorser of successful medical product acceptance by the market. Based on our findings, we recommend several points for manufacturers to help them in gaining more confidence in introducing and launching new prescribed medical products.

These four factors ("the product need to be socialized to patients at the same time to the medical doctors", "needed for preventive", "easy to use" and "effective") have to obtain significant scientific data to enhance the product confidence level.

These four factors are, to some degree, compulsory for new prescribed medical products. Facts regarding these four factors should be written on every promotion material in order to convince the market, primarily physicians.

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